

EXECUTIVE REVIEW COMMITTEE MEETING

Wednesday, January 20, 2022 – 11:00 AM
Retirement and Investment Conference Room (Virtual)
Teleconferencing – 701.328.0950 Participant Code – 133 523 551#
1600 E Century Ave, Suite 3, Bismarck, ND 58507

AGENDA

- I. Call to Order and Approval of Agenda
- II. Approval of May 12, 2021 Meeting Minutes
- III. SIB Self-Assessment
 - a. Review and Approval of Assessment Tool
 - i. 2021 Board Self-Assessment Results
 - ii. Discuss Questions and Template
 - b. Timeline for Self-Assessment
 - c. Memo for SIB January meeting
- IV. Other Business
- V. Adjournment

Any individual requiring an auxiliary aid or service should contact the Retirement and Investment Office at (701) 328-9885 at least (3) days prior to the scheduled meeting.

**NORTH DAKOTA STATE INVESTMENT BOARD
EXECUTIVE REVIEW COMMITTEE
MINUTES OF MAY 12, 2021**

BOARD MEMBERS PRESENT: Yvonne Smith, PERS
Adam Miller, PERS
Mel Olson, TFFR Board

STAFF PRESENT: Connie Flanagan, Chief Financial Officer
Bonnie Heit, Suprv of Admin Svs
Jan Murtha, Deputy Exec Dir/CRO
Sara Sauter, Suprv of Internal Audit

CALL TO ORDER:

Ms. Smith called the State Investment Board (SIB) Executive Review Committee (ERC) meeting to order at 1:12 p.m. on Wednesday, May 12, 2021, at the Retirement and Investment Office (RIO), 3442 East Century Avenue, Bismarck, ND.

AGENDA:

The ERC considered the agenda,

IT WAS MOVED BY MR. OLSON AND SECONDED BY MR. MILLER AND CARRIED BY A VOICE VOTE TO ACCEPT THE AGENDA FOR THE MAY 12, 2021, MEETING.

AYES: MR. MILLER, MR. OLSON, AND MS. SMITH

NAYS: NONE

MOTION CARRIED

MINUTES:

The ERC considered the minutes of the April 14, 2021, meeting,

IT WAS MOVED BY MR. OLSON AND SECONDED BY MR. MILLER AND CARRIED BY A VOICE VOTE TO ACCEPT THE APRIL 14, 2021, MINUTES AS DISTRIBUTED.

AYES: MR. MILLER, MR. OLSON, AND MS. SMITH

NAYS: NONE

MOTION CARRIED

PERFORMANCE EVALUATION:

The ERC reviewed a draft performance evaluation of the Executive Director/CIO for calendar year 2020. The evaluation results indicated Mr. Hunter continues to provide excellent leadership as the Executive Director/CIO. His credibility and respect among board members, stakeholders, clients, and staff continues.

Improvements have been achieved during the year regarding increasing transparency, improving clarity in communication in SIB meeting materials, continued efforts to reduce fees, continued efforts to provide critical education for the SIB, and increasing emphasis on investment management risk, due diligence reporting, and compliance monitoring.

The ERC felt the results were more than they could ask for and were very pleased with Mr. Hunter's performance.

IT WAS MOVED BY MR. OLSON AND SECONDED BY MR. MILLER AND CARRIED BY A VOICE VOTE TO ACCEPT MR. HUNTER'S PERFORMANCE EVALUATION FOR CALENDAR YEAR 2020.

AYES: MR. OLSON, MR. MILLER, AND MS. SMITH

NAYS: NONE

MOTION CARRIED

COMPENSATION:

The ERC received a salary review summary of the Executive Director/CIO position initiated by Representative Kempenich during the 2021 legislative session.

Confidential salary benchmark information was obtained for comparable positions involved in public fund institutional investments. The market analysis confirms that the current compensation level of the Executive Director/CIO of RIO is approximately 25% below market median.

In addition, salary benchmark information obtained from the National Association of State Retirement Administrator Salaries indicated the position is approximately 27% below market median.

House Bill 1022 included a 10.5% equity increase for the Executive Director/CIO position for the 2021-23 biennium.

Ms. Flanagan reviewed various options for an increase for the Executive Director/CIO based on RIO's current budget and the budget for 2021-23.

Based on this information,

IT WAS MOVED BY MR. OLSON AND SECONDED BY MR. MILLER AND CARRIED BY A VOICE VOTE TO RECOMMEND GRANTING A 10.5% EQUITY INCREASE TO THE EXECUTIVE DIRECTOR/CIO EFFECTIVE MAY 1, 2021 AND THE 1.5% LEGISLATIVE INCREASE EFFECTIVE JULY 1, 2021.

AYES: MR. MILLER, MR. OLSON, AND MS. SMITH

NAYS: NONE

MOTION CARRIED

These recommendations as well as the Executive Director/CIO's performance evaluation will be brought before the SIB for their consideration at their May 21, 2021, meeting.

For ERC/budget planning purposes, the ERC discussed putting a plan together to get at least to the market median and maintaining that pay range if not higher going forward for the Executive Director/CIO position. This would ensure the position's compensation level would be comparable to positions involved in public fund institutional investments. The SIB would need to be on board and would need to bring the request before the legislature.

NEXT MEETING:

The ERC's next meeting will be scheduled if needed.

ADJOURNMENT:

With no further business to come before the ERC, Ms. Smith adjourned the meeting at 1:39 p.m.

Ms. Smith, Chair

Bonnie Heit, Recorder

North Dakota Retirement and Investment Office
Internal Audit
State Investment Board Self-Evaluation Executive Review Summary
March 26, 2021

Background

The State Investment Board (SIB) requested Internal Audit of the Retirement and Investment Office (RIO) to assist the SIB Executive Review Committee on developing and administering a Board Self-Evaluation Survey (Survey). Internal Audit worked with the Executive Review Committee in developing, administering, and reporting the self-evaluation results.

Scope

The Survey is comprised of twenty-nine questions and consists of five categories for both the self-assessment and board assessment portions. The five categories in each section included: board and staff roles, board and committee structure, board meetings, policy making and reviews, and financial management and investment practices. There were two open ended questions at the end that asked for any other input for the Survey and any recommendations for topics to be included in future evaluations. The Survey was administered through SurveyMonkey and results were reviewed by the Executive Review Committee. A four-point scale was used, with 4 – strongly agree, 3 – agree, 2 – disagree, and 1 – strongly disagree as the rating system. Eleven out of twelve board members participated in the Survey.

Results Summary

Generally, the self-assessment portion of the Survey had positive results and comments. In the self-assessment section, board members found their participation on the board to be stimulating and rewarding. The majority of board members strongly agreed they abide by the Board Code of Conduct and avoid conflicts of interest. Overwhelming, board members strongly agree they understand their legal duties and responsibilities of being a fiduciary. Areas of improvement also have been identified. Board members stated that with the challenges of this past year, communication is more challenging with remote meetings, resulting in less active participation in discussions. One board member suggests that in-person meetings should start as soon as it is a viable option. The Executive Summary for board meetings is appreciated as there is a lot of information to review; however, having materials sooner would give board members more time to prepare.

The board-assessment portion of the Survey also had positive results and comments. From a board level, board members felt that board meetings were a good use of time and well-ran. The majority agreed the Board stays informed of economic trends and conditions that can affect investment performance. Multiple comments that Callan and staff do a great job on the communication and giving updates. There were several areas identified for improvement. First, that attendance continues to be an area that needs improvement as this was the lowest score in the entire assessment. Secondly, despite high scores for understanding the Board's authority and what is delegated to staff, comments suggest otherwise. There were several comments that Board may overstep into staff roles. The last area of improvement was that standing and ad hoc committees could effectively communicate to the full board and timely.

In comparing the self-evaluation results over the years, trends have emerged:

1. Board attendance continues to have one of the lowest scores for multiple years.
2. An issue is understanding what authority has been retained by the Board and what has been delegated to staff.
3. That all Board members need to be vocal and make sure their voice is heard during meetings.

General overall comments were positive. The SIB operates effectively, and the staff does an outstanding job keeping Board members informed. There might be conflict, but common ground is found, and it does strengthen the board. One comment stated that the SIB has a clear and functional role; the members

observe that with only occasional exceptions. We must continue to respect our roles as board members and avoid self-promoting activities.

Overall, the SIB Board Self-Evaluation was positive and continues to show areas the Board wishes to approve on.

State Investment Board
2021 Board Self-Evaluation

Compilation of State Investment Board Self-Evaluation Results

GENERAL OVERVIEW

The Board Self-Evaluation consists of five categories, for both the self-assessment and board assessment portions. The five categories in each section which included:

- Board and Staff Roles
- Board and Committee Structure
- Board Meetings
- Policy Making and Reviews
- Financial Management and Investment Practices

Any comments provided by respondents have been included as written in survey responses and have not been edited for spelling, grammar, etc.

**2021 State Investment Board Self-Evaluation
Self Assessment - Board and Staff Roles**

1. I believe I have the skills and training necessary to fulfil my responsibilities as a SIB member.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2021 Average Response</u>	<u>2020 Average Response</u>
4 - Strongly Agree	8	72.73%	3.73	3.50
3 - Agree	3	27.27%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	11	100.00%		

2. I understand the authority that has been retained by the SIB and what duties have been delegated to staff.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2021 Average Response</u>	<u>2020 Average Response</u>
4 - Strongly Agree	9	90.00%	3.90	3.83
3 - Agree	1	10.00%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	10	100.00%		

3. I actively engage in Board meetings by contributing to the discussions in a meaningful way, listening to others (i.e., board members, staff, guests) and communicate my points concisely.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2021 Average Response</u>	<u>2020 Average Response</u>
4 - Strongly Agree	4	40.00%	3.40	3.42
3 - Agree	6	60.00%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	10	100.00%		

4. I make an effort to be educated on the aspects of the investment program that I do not understand.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2021 Average Response</u>	<u>2020 Average Response</u>
4 - Strongly Agree	4	36.36%	3.36	3.58
3 - Agree	7	63.64%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	11	100.00%		

**2021 State Investment Board Self-Evaluation
Self Assessment - Board and Staff Roles**

Comments for Self-Assessment - Board and Staff Meetings:

I have had ample educational opportunities to enable me to understand and participate in the duties of the board.

I think this past year has posed some unique challenges to the Board and staff. It is more challenging to communicate effectively utilizing remote meetings. While they provide a convenience to the Board I feel there has been some lost opportunities for communication and connection on significant issues. I would encourage the staff to begin utilizing in-person meetings as soon as it is a viable option.

**2021 State Investment Board Self-Evaluation
Self Assessment - Board and Committee Structure**

5. I understand board conduct, abide by it, and avoid conflicts of interest.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2021 Average Response</u>	<u>2020 Average Response</u>
4 - Strongly Agree	9	90.00%	3.90	3.83
3 - Agree	1	10.00%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	<u>10</u>	<u>100.00%</u>		

6. I find my participation on the Board to be stimulating and rewarding.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2021 Average Response</u>	<u>2020 Average Response</u>
4 - Strongly Agree	8	80.00%	3.80	3.75
3 - Agree	2	20.00%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	<u>10</u>	<u>100.00%</u>		

7. I am comfortable with the amount of time I devote as a Board member.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2021 Average Response</u>	<u>2020 Average Response</u>
4 - Strongly Agree	5	50.00%	3.50	3.33
3 - Agree	5	50.00%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	<u>10</u>	<u>100.00%</u>		

8. If I am not able to attend the SIB meeting, I make appropriate notifications to staff and review the information presented at the meeting.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2021 Average Response</u>	<u>2020 Average Response</u>
4 - Strongly Agree	7	63.64%	3.64	3.67
3 - Agree	4	36.36%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	<u>11</u>	<u>100.00%</u>		

**2021 State Investment Board Self-Evaluation
Self Assessment - Board and Committee Structure**

Comments for Self-Assessment - Board and Committee Structure:

I make every effort to be an informed participant. During this past year, I have not been as actively involved in the meetings, due to the necessity for virtual meetings.

I do believe it is important that the Board review regularly the code of conduct. I get concerned with the involvement of some of the Board members. There appears to be some Board members who are not as vocal and it is important that everyone feels as if they have a voice on the Board. This is not a reflection of the staff but more of the Board dynamics as certain Board members are more vocal than others.

**2021 State Investment Board Self-Evaluation
Self-Assessment - Board Meeting**

9. I am aware of an effective new member orientation program which outlined responsibilities and important organizational information.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2021 Average Response</u>	<u>2020 Average Response</u>
4 - Strongly Agree	6	54.55%	3.55	3.25
3 - Agree	5	45.45%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	11	100.00%		

10. I am prepared for Board meetings, reading information in advance, so I can make informed decisions.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2021 Average Response</u>	<u>2020 Average Response</u>
4 - Strongly Agree	7	63.64%	3.64	3.50
3 - Agree	4	36.36%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	11	100.00%		

Comments for Self Assessment - Board Meeting:

I feel largely prepared for the board meetings, but I do not always read all the detail made available to us. I am very appreciative of the summary we are given with our materials, the the explanations by our ED and the RIO staff and consultants are excellent.

It is challenging to prepare for the Board meetings if material is not provided several days in advance.

**2021 State Investment Board Self-Evaluation
Self-Assessment - Policy Making and Reviews**

11. I fully understand the policies of the SIB.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2021 Average Response</u>	<u>2020 Average Response</u>
4 - Strongly Agree	6	54.55%	3.55	3.42
3 - Agree	5	45.45%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	11	100.00%		

12. I review board policies as necessary to fulfill my role as a board member.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2021 Average Response</u>	<u>2020 Average Response</u>
4 - Strongly Agree	6	54.55%	3.55	3.50
3 - Agree	5	45.45%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	11	100.00%		

Comments for Self Assessment - Policy Making and Reviews:

**2021 State Investment Board Self-Evaluation
Self-Assessment - Financial Management and Investment Practices**

13. I understand the legal duties and responsibilities required of me as a fiduciary.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2021 Average Response</u>	<u>2020 Average Response</u>
4 - Strongly Agree	10	90.91%	3.91	3.83
3 - Agree	1	9.09%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	<u>11</u>	<u>100.00%</u>		

14. I sufficiently understand all financial reports and seek clarification when necessary.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2021 Average Response</u>	<u>2020 Average Response</u>
4 - Strongly Agree	7	63.64%	3.64	3.58
3 - Agree	4	36.36%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	<u>11</u>	<u>100.00%</u>		

15. I am familiar with the annual report by the independent auditors and understand any findings or recommendations.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2021 Average Response</u>	<u>2020 Average Response</u>
4 - Strongly Agree	10	90.91%	3.91	3.67
3 - Agree	1	9.09%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	<u>11</u>	<u>100.00%</u>		

Comments for Self Assessment - Financial Management and Investment Practices:

Dave and staff do an excellent job of staying on top of the money managers and securing assistance from Callan and other.

Again, I feel that the information is concise and understandable. I have learned a great deal about the financial management.

**2021 State Investment Board Self-Evaluation
Board Assessment - Board and Staff Roles**

16. The Board members are consistently prepared for meetings and stays engaged.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2021 Average Response</u>	<u>2020 Average Response</u>
4 - Strongly Agree	3	27.27%	3.27	3.00
3 - Agree	8	72.73%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	<u>11</u>	<u>100.00%</u>		

17. The Board has healthy discussions on a topic before making a well informed decision.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2021 Average Response</u>	<u>2020 Average Response</u>
4 - Strongly Agree	6	54.55%	3.55	3.42
3 - Agree	5	45.45%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	<u>11</u>	<u>100.00%</u>		

18. The Board recognizes the authority it has retained and what has been delegated to staff.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2021 Average Response</u>	<u>2020 Average Response</u>
4 - Strongly Agree	8	72.73%	3.73	3.42
3 - Agree	3	27.27%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	<u>11</u>	<u>100.00%</u>		

Comments for Board Assessment - Board and Staff Roles:

Occasionally we might veer into micromanaging matters that are better left to the ED and RIO staff.

I think the importance of understanding the Board policies and roles of Board vs. Staff will become increasingly important as the assets under the Board continue to increase.

I would like to see all board members fully engaged in discussion and sharing perspectives. I believe it makes us a much stronger board when all involved are active.

**2021 State Investment Board Self-Evaluation
Board Assessment - Board and Committee Structure**

19. All Board members regularly attend board meetings.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2021 Average Response</u>	<u>2020 Average Response</u>
4 - Strongly Agree	3	27.27%	3.09	3.00
3 - Agree	6	54.55%		
2 - Disagree	2	18.18%		
1 - Strongly Disagree	0	0.00%		
	11	100.00%		

20. Standing and ad hoc committees complete their tasks in an effective and timely way.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2021 Average Response</u>	<u>2020 Average Response</u>
4 - Strongly Agree	8	72.73%	3.73	3.42
3 - Agree	3	27.27%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	11	100.00%		

21. Standing and ad hoc committees communicate to the full board in an effective and timely manner.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2021 Average Response</u>	<u>2020 Average Response</u>
4 - Strongly Agree	6	54.55%	3.55	3.25
3 - Agree	5	45.45%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	11	100.00%		

Comments for Board Assessment - Board and Committee Structure:

Committees report consistently report to the board.

Last year there was some frustrations with the Executive Review Committee bringing information to the Board at the Board meeting. This caused some frustrations that impacted conversations. I recognize all of the committees do their best to complete their task and provide information back to the Board; however, it is extremely important that the Board be provided with adequate time to review the Committee's reports.

**2021 State Investment Board Self-Evaluation
Board Assessment - Board Meetings**

22. Board meetings are generally well-run and make good use of members' time.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2021 Average Response</u>	<u>2020 Average Response</u>
4 - Strongly Agree	8	72.73%	3.73	3.58
3 - Agree	3	27.27%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	<hr/> 11	<hr/> 100.00%		

23. Board meetings allow the right allocation of time between Board discussions and presentations.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2021 Average Response</u>	<u>2020 Average Response</u>
4 - Strongly Agree	8	72.73%	3.73	3.58
3 - Agree	3	27.27%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	<hr/> 11	<hr/> 100.00%		

Comments for Board Assessment - Board Meetings:

Everyone has an opportunity to respond--Board President always ask for further comments

The Board seems to be having more discussions which is causing the meeting to run long or for some items to be pressed for time. The Staff may want to work with the Chair to determine what information can be reviewed by the Board and not discussed (unless there are questions by Board members) so that other agenda items are not rushed.

**2021 State Investment Board Self-Evaluation
Board Assessment - Policy Making and Reviews**

24. The Board reviews policies on a regular basis and updates them as needed.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2021 Average Response</u>	<u>2020 Average Response</u>
4 - Strongly Agree	5	45.45%	3.45	3.58
3 - Agree	6	54.55%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	<hr/> 11	<hr/> 100.00%		

25. If a new policy is needed for the SIB, the policy is clearly presented to and discussed by the Board.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2021 Average Response</u>	<u>2020 Average Response</u>
4 - Strongly Agree	7	63.64%	3.64	3.42
3 - Agree	4	36.36%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	<hr/> 11	<hr/> 100.00%		

Comments for Board Assessment - Policy Making and Reviews:

2021 State Investment Board Self-Evaluation
Board Assessment - Financial Management & Investment Practices

26. The Board regularly reviews financial, investment, and portfolio.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2021 Average Response</u>	<u>2020 Average Response</u>
4 - Strongly Agree	10	90.91%	3.91	3.58
3 - Agree	1	9.09%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	11	100.00%		

27. The Board is regularly informed of economic trends or conditions that can effect investment performance.

<u>Answer Choices</u>	<u># Responses</u>	<u>% Responses</u>	<u>2021 Average Response</u>	<u>2020 Average Response</u>
4 - Strongly Agree	8	72.73%	3.73	3.67
3 - Agree	3	27.27%		
2 - Disagree	0	0.00%		
1 - Strongly Disagree	0	0.00%		
	11	100.00%		

Comments for Board Assessment - Financial Management and Investment Practices:

Callan representatives provide great updates

I think understanding economic trends or conditions is very complex and synthesizing it to the Board is a challenging prospect. The Staff and Callan do an excellent job and bringing forward complex material.

**2021 State Investment Board Self-Evaluation
Overall Assessment**

28. Any final comments, observations, or suggestions for the board self-evaluation?

Would love to see some more economic forecasting and trend analysis of what it happening with other sovereign wealth funds or general market/rate information that would help us be able to make more proactively informed decisions.

I feel the Board and the staff are very effective in communicating with each other.

Thanks for putting this together.

No

The SIB is comprised of a mix of very capable, smart, members with considerable experience in their professions.

SIB is an effective, well informed b.oard that consistently makes well thought out decisions based on that information

Engagement on manger decisions.

The SIB has overall a clear and functional role, that is observed by the members with only occasional exceptions. It is important that we continue to respect our roles as board members and avoid self-promoting activities.

NO.

None

This is a very strong board with a commitment to governance, our fiduciary duty, and doing what is best for North Dakota. Like all effective boards, we are not always going to agree, but that conflict has the ability to build us up and strengthen our board collectively. While it is not always easy to do so after conflicts, this is done by a consistent recognition of the common ground and shared values held by all State Investment Board members.

29. Please let the Executive Review Committee know if there are any areas in the board self-evaluation that you would like to see addressed in the future?

None

none at this time

This survey is well designed document that addresses all the important areas.

None.

None.



2021 State Investment Board Self-Assessment

MARCH 26, 2021

Self-Assessment Results

Areas of Strength

- Participation positive and stimulating
- Understands Board Code of Conduct and conflicts of interest
- Executive summary beneficial

Areas of Improvement

- More interaction in board meetings
 - Virtual meetings are challenging
- Preparing for meeting can be challenging with volume of information



Board Assessment Results

Areas of Strength

- Meetings are well-run and good use of time
- Informed of economic trends and conditions
- Regularly reviews financial, investment, and portfolio

Areas of Improvement

- Meeting attendance
- All members should actively participate in discussions and hear all perspectives
- Understanding Board versus staff roles



General Comments

- SIB is effective and well informed
- Staff is very effective in communicating
- SIB is a strong Board with a commitment to governance and fiduciary duty
- Board members need to avoid self-promoting activities and respect the role as board members



Past 3-Years Trends

- Board attendance continues to have one of the lowest scores for multiple years
- An issue is understanding what authority has been retained by the Board and what has been delegated to staff
- That all Board members need to be vocal and make sure their voice is heard during meetings





QUESTIONS OR COMMENTS?



2021 State Investment Board Self-Evaluation

Introduction

The State Investment Board (SIB) has appointed the Executive Review Committee to administer a board self-evaluation.

As a member of the SIB you are being asked to participate in the board self-evaluation. There are five categories, for both the self-assessment and board assessment portions. The first 15 questions are self-assessment, followed by 12 questions for the board assessment portion, and ending with 2 open ended questions. After each category there is a comment section available to give explanation on your ratings or to make comments.

Please contact the Supervisor of Internal Audit, Sara Sauter, at 701-328-9896 or sasauter@nd.gov if you have any questions.

Survey responses are due by midnight on Monday, March 1, 2021.

Thank you in advance for your participation.



2021 State Investment Board Self-Evaluation

Self-Assessment

Board & Staff Roles

1. I believe I have the skills and training necessary to fulfill my responsibilities as SIB member.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

2. I understand the authority that has been retained by the SIB and what duties have been delegated to staff.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3. I actively engage in Board meetings by contributing to the discussions in a meaningful way, listening to others (i.e., board members, staff, guests) and communicate my points concisely.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

4. I make an effort to be educated on the aspects of the investment program that I do not understand.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Comments for Board & Staff Roles



2021 State Investment Board Self-Evaluation Self-Assessment

Board & Committee Structure

5. I understand board conduct, abide by it, and avoid conflicts of interest.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6. I find my participation on the Board to be stimulating and rewarding.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

7. I am comfortable with the amount of time I devote as a Board member.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

8. If I am not able to attend the SIB meeting, I make appropriate notifications to staff and review the information presented at the meeting.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Comments for Board and Committee Structure



2021 State Investment Board Self-Evaluation

Self-Assessment

Board Meetings

9. I am aware of an effective new member orientation program which outlined responsibilities and important organizational information.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

10. I am prepared for Board meetings, reading information in advance, so I can make informed decisions.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Comments for Board Meetings



2021 State Investment Board Self-Evaluation

Self-Assessment

Policy Making & Reviews

11. I fully understand the policies of the SIB.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

12. I review board policies as necessary to fulfill my role as a board member.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Comments for Policy Making & Reviews



2021 State Investment Board Self-Evaluation Self-Assessment

Financial Management & Investment Practices

13. I understand the legal duties and responsibilities required of me as a fiduciary.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

14. I sufficiently understand all financial reports and seek clarification when necessary.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

15. I am familiar with the annual report by the independent auditors and understand any findings or recommendations.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Comments for Financial Management & Investment Practices



2021 State Investment Board Self-Evaluation

Board Assessment

Board & Staff Roles

16. The Board members are consistently prepared for meetings and stays engaged.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

17. The Board has healthy discussions on a topic before making a well-informed decision.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

18. The Board recognizes the authority it has retained and what has been delegated to staff.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Comments for Board & Staff Roles



2021 State Investment Board Self-Evaluation

Board Assessment

Board and Committee Structure

19. All Board members regularly attend board meetings.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

20. Standing and ad hoc committees complete their tasks in an effective and timely way.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

21. Standing and ad hoc committees communicate to the full board in an effective and timely manner.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Comments for Board and Committee Structure



2021 State Investment Board Self-Evaluation

Board Assessment

Board Meetings

22. Board meetings are generally well-run and make good use of members' time.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

23. Board meetings allow the right allocation of time between Board discussions and presentations.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Comments for Board Meetings



2021 State Investment Board Self-Evaluation

Board Assessment

Policy Making & Reviews

24. The Board reviews policies on a regular basis and updates them as needed.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

25. If a new policy is needed for the SIB, the policy is clearly presented to and discussed by the Board.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Comments for Policy Making & Reviews



2021 State Investment Board Self-Evaluation Board Assessment

Financial Management & Investment Practices

26. The Board regularly reviews the financial, investment, and portfolio performance of the agency.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

27. The Board is regularly informed of economic trends or conditions that can effect investment performance.

Strongly Agree	Agree	Disagree	Strongly Disagree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Comments for Financial Management & Investment Practices



2021 State Investment Board Self-Evaluation Overall Assessment

*** 28. Any final comments, observations, or suggestions for the board self-evaluation?**

29. Please let the Executive Review Committee know if there are any areas in the board self-evaluation that you would like to see addressed in the future?

MEMORANDUM

TO: State Investment Board

FROM: Executive Review Committee

DATE: January 28, 2022

SUBJECT: SIB Board Self-Assessment

The Executive Review Committee will be conducting the Board Self-Assessment. The Board Self-Assessment will be sent out **Date** and will be due **Date**.

The Board Self-Assessment will be sent out via SurveyMonkey by the Supervisor of Internal Audit, Sara Sauter. Attached is a copy of the survey questions that will be asked.

The results will be presented at the February SIB meeting.