

NORTH CAROLINA  
DEPARTMENT OF STATE TREASURER



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## INVESTMENT MANAGEMENT DIVISION

# Governance, Operations, and Investment Practice Review - Scope

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# North Carolina G.S. 147-69.10(b)

At least once every four years, the State Treasurer shall engage a commercial independent expert firm, pursuant to G.S.147-69.3(g), to evaluate the governance, operations, and investment practices of the State Treasurer in order to develop recommendations for improvement. The State Treasurer must consult with the Investment Advisory Committee to develop the scope of the evaluation. The report of the independent expert firm shall be provided to the Joint Legislative Commission on Governmental Operations, the House of Representatives Appropriations Committee, the Senate Appropriations/Base Budget Committee, and the Fiscal Research Division within 30 days of receipt.(2016-55, s. 3.)



# Recommended Scope

- Current Authority, Duties, Laws
  - Review current state of authority and duties related to management of NCRS assets including constitutional authority, statutory and administrative code, federal regulation, and case law
- Policy and Process Review
  - Review of IMD policies and processes compared to industry best practice
- Compliance Process Review
  - Review of compliance processes related to internal trading and private market investment activity
- Transparency, Accountability, and Ethics
  - Availability of information to stakeholders
  - Level of Delegation of Authority
  - Ethics policy and insider trading policy review



# Next Steps

- Finalize Detailed Scope
- Procure Commercial Independent Expert Firm
- Begin Review