



Enterprise Risk Management Division

2013-15 Risk Assessment Plan

June 19, 2013



Fiscal Year 2013 -2014

Strategic Risk Category	Program Area / Focus
<p>Enterprise-wide Risk Assessment</p>	<p style="text-align: center;">Enterprise-wide</p> <p>Conduct Enterprise-wide Risk Assessment to determine changes in the risk environment that may impact achievement of goals and objectives. Review risk domains currently tracked on ERM Dashboard confirming completeness and accuracy. Reassure each domain defined has adequate ownership and representation to monitor and address risks within risk domain and changes relative to the 2012-2017 Strategic Plan.</p>
<p>Pension Funding</p>	<p style="text-align: center;">Financial Office / Actuarial Office / Investment Office</p> <p>Identify and assess the risk for effective Asset Liability Management from an enterprise risk management perspective. Develop a risk register specifically for Pension Funding risk domain that allows for periodic monitoring and reporting of this domain.</p>
<p>Human Resources Management</p>	<p style="text-align: center;">Human Resources Division</p> <p>Identify and assess the risk related to recruiting and hiring practices, talent development /management, knowledge capital, workload management, and succession planning. Develop a risk register for the Human Resources risk domain that allows for periodic monitoring and reporting of this domain. Reassure risk domain documentation and construct are complete and accurate for the Human Resources Management risk domain.</p>
<p>Municipal Bankruptcy</p>	<p style="text-align: center;">Enterprise</p> <p>On-going risk assessment and update of risk register from Fiscal Year 2012-13. Identify and assess the risk related to municipal bankruptcy. Assess the risks and management’s response. Assist with the development of controls to manage the risk. Reassure risk domain documentation and construct are complete and accurate for the Municipal Bankruptcy risk domain.</p>



Enterprise Risk Management Division

Operational Risk Category	Program Area / Focus
Business Planning 2013-15	Enterprise-wide
<p>Identify and assess the risks of accomplishing the Fiscal Year 2013-15 Business Plan objectives. Review relevant risk within Fiscal Year 2013-14 Action Plans. Reassure risks identified are defined and have adequate ownership and representation to monitor and address risks within the Action Plan.</p>	
Information Security & Privacy	Enterprise-wide
<p>Identify and assess effective implementation observations of management, operational, and technical controls according to National Institute of Standards and Technology (NIST) 800 series standards. Divisions to be reviewed include the Actuarial Office, Enterprise Risk Management, Enterprise Compliance, Operations Support Services, Investigations Unit, External Affairs, Customer Services and Support, and Benefits Programs Policy and Planning.</p>	
Pension Reform Implementation	Benefits Programs Policy & Planning
<p>Identify and assess the risk of implementing the Public Employees’ Pension Reform Act. Develop a risk register for the Pension Reform risk domain that allows for periodic monitoring and reporting of this domain. Reassure risk domain documentation and construct are complete and accurate for the Pension Reform Implementation risk domain.</p>	
Financial Risk Category	Program Area / Focus
Investment Controls & Systems	Investment Office
<p>Identify and assess the risks for investment operational controls and systems to effectively manage investment operations including trade processing, portfolio management, and information systems that provide reliable and accurate data to support performance measurement and decision making. Develop a risk register for the Investment Controls & Systems risk domain that allows for periodic monitoring and reporting of this domain.</p>	



Enterprise Risk Management Division

**Ethics/Compliance
Risk Category**

Program Area / Focus

Fraud

Enterprise-wide

Conduct Fraud Risk Assessment to meet SAS 99 requirements. Develop a risk register for the Fraud risk domain. Identify and assess critical gaps in internal controls designed to prevent and detect fraud.

Special Projects

Program Area / Focus

**Ad-Hoc Risk
Assessment Requests**

Enterprise-wide

Conduct ad-hoc risk assessments as requested to support accomplishment of strategic goals and objectives.



Fiscal Year 2014 -2015

Strategic Risk Category	Program Area / Focus
<p>Enterprise-wide Risk Assessment</p>	<p style="text-align: center;">Enterprise-wide</p> <p>Conduct Enterprise-wide Risk Assessment to determine changes in the risk environment that may impact achievement of goals and objectives. Review risk domains currently tracked on ERM Dashboard confirming completeness and accuracy. Reassure each domain defined has adequate ownership and representation to monitor and address risks within risk domain and changes relative to the 2012-2017 Strategic Plan.</p>
<p>Municipal Bankruptcy</p>	<p style="text-align: center;">Legal Office / Actuarial Office / Financial Office</p> <p>Identify and assess the legal and operational risks associated with municipal bankruptcy. Refresh and update the risk register for the Municipal Bankruptcy domain. Provide reassurance of the risk responses.</p>
<p>Health Care Costs</p>	<p style="text-align: center;">Benefits Programs Policy & Planning</p> <p>Identify and assess the risk of rising health care costs in a changing environment that impact CalPERS strategic plan to offer affordable and quality health plans to our members. Develop a risk register for the health care cost risk domain that allows for periodic monitoring and reporting of this domain.</p>
<p>Stakeholder Relations</p>	<p style="text-align: center;">Public Affairs</p> <p>Identify and assess the risk for Stakeholder relations. Develop a risk register for the Stakeholder Relations domain that allows for periodic monitoring and reporting of this domain. Review update of program stakeholder relations assessment process. Review and document observations and note any gaps in risk and controls discovered during risk assessment.</p>



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Operational Risk Category	Program Area / Focus
Business Planning 2013-15	Enterprise-wide
<p>Identify and assess the risks of accomplishing Fiscal Year 2013-15 Business Plan objectives. Review relevant risk within Fiscal Year 2014-15 Action Plans. Reassure risks identified are defined and have adequate ownership and representation to monitor and address risks within the Action Plan. Review and document observations and note any gaps in risk and controls discovered during risk assessment.</p>	
Customer Service	Customer Services & Support
<p>Identify and assess the risk for the Customer Service domain. Develop a risk register for the Customer Service risk domain that allows for periodic monitoring and reporting of this domain.</p>	
Information Security & Privacy	Enterprise-wide
<p>Identify and assess effective implementation observations of management, operational, and technical controls according to NIST 800 series standards. Divisions to be reviewed include the Financial Office, Investment Office, Office of Audit Services, Human Resources Division, Enterprise Strategy & Performance Division, and Information Technology Services Branch.</p>	
Financial Risk Category	Program Area / Focus
Investment Risk Management	Investment Office
<p>Identify and assess the risks for investment risk management including the processes, controls and reporting of investment risks. Develop a risk register for the Investment Risk Management domain that allows for periodic monitoring and reporting of this risk domain.</p>	



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Special Projects

Program Area / Focus

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