

Risk Report Process Map | Enterprise Risk Management Division

The Enterprise Risk Management Division risk report update process starts with a defined risk framework which includes analyzing internal and external factors. The process is a collaborative effort between staff, management and Executive Leadership where material risks are identified, assessed, mitigated, monitored and reported.

- News, events and industry trends
- Legislative and regulatory change
- Technology, business, and economic changes
- Risk industry best practices and benchmarks

Review external factors

Gather data and intelligence

- Perform enterprise-wide risk assessment
- Conduct planned and adhoc risk assessments
- Risk self-assessments

Review internal factors

- CalPERS strategic plans
- Business area objectives
- Board and management's input
- Business partner data
- Prior audits
- Enterprise risks

Identify, assess, analyze and respond

- Identify key risk
- Develop inherent risk ranking
- Develop residual risk ranking
- Develop risk response
- Identify emerging risks

Report and monitor risks by division chiefs and Executive Leadership

- Update risk dashboard, top risks, and emerging risk reports
- Division Chief Council oversight
- Executive Risk Management Committee oversight

Report and monitor risks by Board

- Present risk dashboard and top risk reports to Risk and Audit Committee for Board oversight

Repeat process on a recurring basis.

Risk Report Process Map | Enterprise Risk Management Division (continued)



Note: The risk assessment process is an ongoing activity. Recurring efforts are coordinated with appropriate offices, departments and divisions as needed and as illustrated in the Annual Risk Assessment Plan.