

# Risk and Audit Committee Risk Summary Report

Risk Category	Risk Domain	Previous Risk Ranking			Previous Trend	Nov-15	Projected Trend	Notes
		May-14	Oct-14	May-15				
Compliance/Ethics	<b>Ethical Conduct and Standards</b> - Unethical activities - Unclear ethical business conduct and standards - Management oversight - Employee accountability	▲	▲	▲	➡	▲	➡	No change, overall ranking is moderate, with trending remaining constant due to management providing staff with the necessary tools and resources to fulfill their compliance functions, such as hiring the right people and developing effective compliance controls.
Compliance/Ethics	<b>Fraud Detection and Prevention</b> - Cash disbursements fraud - Unethical activities - Reportable compensation - Protection of assets - Insider Trading & Front Running	▲	▲	▲	➡	▲	➡	No change, overall ranking is moderate, with trending remaining constant due to a continued effort to build CalPERS integrated assurance framework that manages and integrates fraud prevention detection and response efforts.
Compliance/Ethics	<b>Laws, Rules and Regulations</b> - Regulatory compliance failure - Inconsistencies in policies and underground regulations - Legal sanctions	■	■	▲	➡	▲	➡	No change, overall ranking is moderate, with trending remaining constant due to the activity in building out the enterprise compliance plan and policy management framework.
Compliance/Ethics	<b>Policy and Procedures</b> - Policy Administration - Policy Measures and Monitoring - Policy Standards	■	■	▲	➡	▲	➡	No change, overall ranking is moderate, with trending remaining constant due to the activity in developing an enterprise policy management repository and policy framework.

Residual Risk - Considering risk responses and the remaining risk exposure.	
●	Minimal
▲	Moderate
■	Elevated
⬮	High

Trend - Considering risk management plans and environmental factors, the residual risk trend over the next 6 months.	
⬇	Decrease
➡	Remain Constant
⬆	Increase