

2017–18 ENTERPRISE RISK MANAGEMENT PLAN



FUND SUSTAINABILITY

OBJECTIVE (2017–22 Strategic Plan)

Fund the System through an integrated view of pension assets and liabilities by leading facilitation of the asset liability management (ALM) process.

Initiatives

- » Facilitate the Asset Liability Management Advisory Committee (ALMAC) to assist the Board in making decisions throughout the ALM cycle.
- » Conduct discussions with the Board to set Pension Funding Risk Appetite.



RISK MANAGEMENT

OBJECTIVE

Mature enterprise internal control systems to provide Integrated Assurance Teams and Board with enhanced tools and heightened assurance.

Initiatives

- » Pilot and evaluate the Operational Risk Event Framework.
- » Finalize Integrated Assurance maps aligned to the Enterprise Risks.

OBJECTIVE

Collaborate with the enterprise in the identification, assessment, and monitoring of risk within the Board's appetite.

Initiatives

- » Complete the annual enterprise risk assessment cycle including enterprise risks, appetites, and tradeoffs to guide risk-intelligent decision-making.
- » Develop Key Risk Indicators in conjunction with Enterprise Key Performance Indicators.

OBJECTIVE

Incorporate standardized risk analysis to promote data-driven decision-making.

Initiative

- » Complete State Leadership Accountability Act (SLAA) reporting.

OBJECTIVE (2017–22 Strategic Plan)

Enhance compliance and risk functions throughout the enterprise.

Initiatives

- » Initiate Enterprise Risk Training Plan, including modules for CalPERS' new employees and Internal Controls for the Compliance and Risk Liaisons.
- » Establish baseline for the stakeholder assessment survey.
- » Establish baseline for the employee survey.
- » Create ERMD Communication Plan to inform CalPERS' team members on Enterprise Risk Management services, tools, and training.