



Enterprise Risk Profile | September 2017

Benefit Administration Enterprise Risk Profile						
Enterprise Risk	Owner	Oversight	Category			
Benefit Administration	Deputy Executive Officer, Customer Service and Support	Pension & Health Benefits Committee	Operational			
Strategic Plan Goal		Reduce Complexity: reduce complexity across the enterprise by simplifying programs to improve service and/or reduce cost.				
Functional Objective	To ensure accurate and timely benefits and information to members, retirees, and beneficiaries.					
Risk Statement	CalPERS members, retirees, and beneficiaries may not receive timely and/or accurate benefits.					
Risk Analysis:						
The noted risk analysis is based on an understanding that the complexity of the Benefit Plan Design results in inherent risks that impact benefit calculations. In addition, we are dependent upon the employers to submit and maintain accurate membership and payroll data in a timely manner.						
Residual Risk	Probability	Impact	Velocity	Rating	Trend	
	Unlikely	Moderate	High	Low Impact Low Probability		
Risk Driver #1: Inaccurate employer reporting						
Mitigations and Controls in Place:						
1.1 Automated controls to edit and data check employer data 1.2 Tools and reports for employers to identify and fix data issues 1.3 Employer training through various mediums 1.4 Employer response team 1.5 Quality assurance reports 1.6 Business partner identity account management 1.7 Public Agency reviews						
Future Mitigations:						
<ul style="list-style-type: none"> External Manager Monitoring, Expectations, and Reduction Strategy (2017-18 Business Plan, June 2020) Enterprise Data Management (2017-18 Business Plan, June 2020) 						
Risk Driver #2: Lack of team member knowledge and awareness of relevant laws, regulations, and policies						
Mitigations and Controls in Place:						
2.1 Comprehensive training for all levels of team members 2.2 Team member communication tools 2.3 Required second approvals and peer reviews 2.4 Documentation and regular updates of desk procedures and process documents 2.5 Internal audits						
Risk Driver #3: Inaccurate benefit and system calculations						
Mitigations and Controls in Place:						
3.1 System testing 3.2 Peer review protocol 3.3 Clear procedures and process documents 3.4 Comprehensive training for all levels of team members 3.5 Internal audits						

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<p>3.6 Quality assurance programs 3.7 Documentation of system functionality 3.8 System enhancements 3.9 Reconcile Retirement Roll 3.10 Employer adjustment reports 3.11 Identification and correction of data issues</p>
<p>Future Mitigations:</p> <ul style="list-style-type: none"> Develop and implement continuous process improvement framework (2017-18 Business Plan, June 2019)
<p>Risk Driver #4: Complexity of the benefit plan design</p>
<p>Mitigations and Controls in Place:</p> <p>4.1 Change Advisory Board 4.2 Legislative impact analyses 4.3 Various employer and stakeholder communication tools</p>
<p>Future Mitigations:</p> <ul style="list-style-type: none"> CEM Complexity Score Reduction (2017-18 Business Plan, June 2018) Improve pension benefit payments timeliness (2017-18 Business Plan, June 2018)
<p>Risk Driver #5: Inability to implement statutory and regulatory changes</p>
<p>Mitigations and Controls in Place:</p> <p>5.1 Legislative impact analyses 5.2 Statutory and regulatory changes and implementation process 5.3 Various employer and stakeholder communication tools</p>


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Business Continuity Enterprise Risk Profile						
Enterprise Risk	Owner		Oversight		Category	
Business Continuity	Deputy Executive Officer, Operations and Technology		Finance & Administration Committee		Operational	
Strategic Plan Goal		Risk Management: cultivate a risk-intelligent organization.				
Functional Objective	CalPERS' ability to resume business following a major business interruption.					
Risk Statement	Inability to recover timely and resume business functions following a business interruption event.					
Risk Analysis:						
Though an enterprise-wide prioritized list of critical functions in the CalPERS Master Enterprise Business Continuity Plan was created during Phase I in 2017, the risk analysis noted a lack of a full resumption plan that prioritizes enterprise-wide non-critical functions; the inability to complete Disaster Recovery documents timely; the complexity and interdependencies of the systems used; and the limitations to testing recovery plans.						
Residual Risk	Probability	Impact	Velocity	Rating	Trend	
	Possible	Major	High	High Impact High Probability		
Risk Driver #1: Lack of agreed upon enterprise prioritization of critical and non-critical business functions						
Mitigations and Controls in Place:						
1.1 Updated Enterprise Business Continuity Plan for critical enterprise priorities (Phase I)						
Future Mitigations:						
<ul style="list-style-type: none"> Update Enterprise Business Continuity Plan for all enterprise business functions and operations (Phase II – December 2018) 						
Risk Driver #2: Untested Division Business Continuity Plans						
Mitigations and Controls in Place:						
2.1 Division Business Continuity Training						
Risk Driver #3: Inability to restore critical business systems within expected timeframes						
Mitigations and Controls in Place:						
3.1 Annual disaster recovery exercises 3.2 Dedicated off-site Emergency Operations Center 3.3 Contract with an external vendor to perform Disaster Recovery Services 3.4 Annual review of alignment of Disaster Recovery objectives and business continuity plan						
Future Mitigations:						
<ul style="list-style-type: none"> Backup and Disaster Recovery Services contract (October 2017) 						
Risk Driver #4: System changes are not recorded and reported timely to the disaster recovery vendor						
Mitigations and Controls in Place:						
4.1 Annual disaster recovery exercises 4.2 Vendor has up-to-date technical disaster recovery procedures and has the contractual obligation to bring up my CalPERS within the documented recovery time objective 4.3 Disaster Recovery incorporation of system change process						

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Future Mitigations:
<ul style="list-style-type: none"> Automate Disaster Recovery vendor updates and test solutions (June 2018)
Risk Driver #5: Inability to react to an emergency situation
Mitigations and Controls in Place:
5.1 Incident Command System 5.2 Training and exercise 5.3 Annual Emergency Response exercise and training 5.4 CalPERS Emergency Hotline 5.5 Partner with local safety responders
Future Mitigations:
<ul style="list-style-type: none"> Mass notification system (Winter 2017)
Risk Driver #6: Dependency on the State Controller's Office
Mitigations and Controls in Place:
6.1 Documented workarounds to the State Controller's Office functions 6.2 Annual State Controller's Office Disaster Recovery Exercise
Risk Driver #7: Mass regional disaster event impacting access to Emergency Operations Center
Future Mitigations:
<ul style="list-style-type: none"> Establish external conference bridge lines for communication (December 2017) Enable VPN connectivity from anywhere (home/hotel) to CalPERS systems at disaster recovery vendor's data center (June 2018) Contract for temp space with phone lines to redirect inbound contact center calls


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Health Care Administration Enterprise Risk Profile						
Enterprise Risk	Owner		Oversight		Category	
Health Care Administration	Deputy Executive Officer, Benefit Programs Policy and Planning		Pension & Health Benefits Committee		Strategic	
Strategic Plan Goal		Health Care Affordability: transform health care purchasing and delivery to achieve affordability.				
Functional Objective	To offer high quality, accessible, and affordable health care.					
Risk Statement	Inability to offer high quality, accessible, and affordable health care at a competitive price.					
Risk Analysis:						
There are substantial inherent risks from rising healthcare and pharmaceutical costs; however, CalPERS is mitigating these risks well and continues to offer high quality and affordable health care.						
Residual Risk	Probability	Impact	Velocity	Rating	Trend	
	Possible	Major	Low	High Impact Low Probability		
Risk Driver #1: Increases in health care costs						
Mitigations and Controls in Place:						
1.1 Annual reports presented to the PHBC: Integrated Health Models, Population Health, and Health Care Cost 1.2 Triple Aim Strategies from Let's Get Healthy California: Better Health, Better Care, and Lower Costs 1.3 Dependent Eligibility Verification (on-going dependent eligibility reviews at least every 3 years) 1.4 Eligible enrollees over 65 transitioned to Medicare 1.5 Contractual provisions to promote and maintain healthy lifestyles, and improve high intensity case management and patient centered care through medical homes 1.6 Site of care program to guide members who need certain prescription drug infusions to lower-cost sites than hospitals (e.g., doctor's office, ambulatory infusion center, or home infusion) (see also 2.2 below) 1.7 Reference pricing (Value-Based Purchasing Design) setting maximum reimbursements for selected surgical procedures to encourage use of appropriate and cost-effective care settings 1.8 Alignment of medical and pharmacy benefits across health plans to close clinical gaps in care, improve shared-decision making, control expensive specialty drugs, improve palliative care and support preventive care 1.9 Analysis of misuse of medical and pharmacy services including over and under utilization 1.10 Increased uptake of electronic health records through Meaningful Use						
Future Mitigations:						
<ul style="list-style-type: none"> Explore feasibility of financial incentives for members to adopt healthy behaviors, to use preventive services, to seek high-quality services, and to take prescribed medications Value Based Insurance Design development to encourage members to maintain good health and discourage members from using unnecessary services, for example by increasing cost-sharing for lower-value drugs 						
Risk Driver #2: Increases in pharmaceutical costs						
Mitigations and Controls in Place:						
2.1 Evaluation of pharmacy benefits under medical management for cost saving opportunities and leverage Preferred Provider Organization / Pharmacy Benefit Manager PPO/PBM physician-led programs 2.2 Evaluation of site of care opportunities for reducing cost of specialty infusion drugs						

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<p>2.3 Initiation of a new program for reducing specialty drug cost through physician education/incentives and leveraging PBM and PPO physicians</p> <p>2.4 Formulary management</p> <p>2.5 Annual market check of PBM prescription drug pricing terms by independent consultant</p> <p>2.6 Pharmacy Benefit Manager contract with price lock provisions</p>
<p>Future Mitigations:</p> <ul style="list-style-type: none"> Developing pharmaceutical strategies that reduce costs, for example value-based contracting in which payment for a drug is at least partially based on the drug's effectiveness
<p>Risk Driver #3: Public Agencies and Schools electing to leave the CalPERS Health Benefit Programs</p>
<p>Mitigations and Controls in Place:</p> <p>3.1 Annual evaluation and negotiations of Health Plan Premiums</p> <p>3.2 CalPERS Annual Education Forum for employers</p> <p>3.3 Increased competition by expanding health plan choices across public agency regions</p> <p>3.4 PEMHCA precludes agency return to CalPERS health programs for 5 years after leaving the program</p>
<p>Future Mitigations:</p> <ul style="list-style-type: none"> Enhance communication and marketing to employers
<p>Risk Driver #4: Unfavorable changes in state and federal regulations</p>
<p>Mitigations and Controls in Place:</p> <p>4.1 Monitoring and tracking of state and federal legislation</p> <p>4.2 Enhancement and strengthening of proactive outreach and education to federal and state congressional and legislative members</p> <p>4.3 Identification and communication of policy issues/ballot initiatives (excise tax, drug relief) of interest to CalPERS health benefits</p>
<p>Risk Driver #5: Sustainability of the Health Care Fund</p>
<p>Mitigations and Controls in Place:</p> <p>5.1 Evaluation of Portfolio Investment Strategy</p> <p>5.2 Evaluation of Health Benefit Cost and Savings</p> <p>5.3 Comprehensive asset allocation review of the HCF every four years</p> <p>5.4 Maintaining a Risk Based Capital required reserve at 300% of the authorized control level</p> <p>5.5 Annual resetting of the health care premiums through rate negotiations</p>
<p>Risk Driver #6: Health plan contract management non-compliance</p>
<p>Mitigations and Controls in Place:</p> <p>6.1 Contract management oversight, audits, and quarterly business reviews</p>


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Information Security Enterprise Risk Profile						
Enterprise Risk	Owner		Oversight	Category		
Information Security	Deputy Executive Officer, Operations and Technology		Finance & Administration Committee	Operational		
Strategic Plan Goal		Risk Management: cultivate a risk-intelligent organization.				
Functional Objective	To ensure CalPERS information assets are safeguarded.					
Risk Statement	Failure to protect and secure information assets.					
Risk Analysis:						
Due to the constant changing environment, there are substantial inherent risks associated with information security. While CalPERS is actively managing this risk to an adequate level, the ever-changing environment requires continual development of new mitigations and controls in response.						
Residual Risk	Probability	Impact	Velocity	Rating	Trend	
	Likely	Major-Extreme	High-Very High	High Impact High Probability		
Risk Driver #1: Failure to adequately respond to a large scale data breach and security incidents						
Mitigations and Controls in Place:						
1.1 Security Roadmap Program- Security Information Event Management 1.2 Annual independent penetration tests 1.3 Information Security Incident Response and Reporting Procedures 1.4 Monitoring of CalPERS systems for unauthorized activity 1.5 Security Roadmap Program - Two Factor Authentication 1.6 Business Service Incident Response Plans 1.7 Information Security Incident Response Plan						
Future Mitigations:						
<ul style="list-style-type: none"> Evaluate cybersecurity insurance (June 2018) Create/ integrate enterprise Information Security Incident Response Plan (December 2018) 						
Risk Driver #2: Lack of team member awareness of information security practices						
Mitigations and Controls in Place:						
2.1 Mandatory Information Security Training 2.2 Information Systems Security and Confidentiality Acknowledgement Agreement 2.3 Information Security Control Standards 2.4 Information Security Awareness communications 2.5 Phishing email education and training						
Future Mitigations:						
<ul style="list-style-type: none"> Audience specific information security training (December 2018) Audience specific HIPAA and Privacy training (June 2018) Proactive Security Awareness through training (June 2019) 						

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Risk Driver #3: Inappropriate access to electronic information assets
Mitigations and Controls in Place:
<ul style="list-style-type: none"> 3.1 Periodic reviews of team member access 3.2 Constant monitoring of team member access 3.3 Role-based access for business systems
Future Mitigations:
<ul style="list-style-type: none"> • Enhance tracking of team member's my CalPERS activity (June 2018)
Risk Driver #4: Inappropriate physical access to information assets
Mitigations and Controls in Place:
<ul style="list-style-type: none"> 4.1 CalPERS Physical Security Policy 4.2 CalPERS Badge Card Policy 4.3 Two-factor authentication for access to sensitive Data Center areas 4.4 Staff Access to Protected Health Information Practice 4.5 ISOF Control Standards - Portable Devices 4.6 All data storage capable devices are either sanitized (wiped) or destroyed 4.7 Certified confidential document destruction bins located in each division 4.8 Quarterly enterprise-wide Badge Access Reviews 4.9 Building Safety and Security communications 4.10 Badge Card Access Procedure 4.11 Periodic policy review 4.12 Frequent external physical audit
Risk Driver #5: Lack of compliance to policies and standards impacting information security
Mitigations and Controls in Place:
<ul style="list-style-type: none"> 5.1 CalPERS Records Retention Policy 5.2 HIPAA Records Management Practice 5.3 Data Classification Control Standards 5.4 Information Asset Ownership Control Standards


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Internal Governance and Control Environment Enterprise Risk Profile						
Enterprise Risk	Owner		Oversight		Category	
Internal Governance and Control Environment	Chief Compliance Officer, Chief Financial Officer		Risk & Audit Committee		Strategic	
Strategic Plan Goal		Risk Management: cultivate a risk-intelligent organization.				
Functional Objective	To establish a strong control environment.					
Risk Statement	Lack of a strong internal control environment could result in loss of authority or reputation, and/or incurred penalties.					
Risk Analysis:						
There is a need to improve assurance functions through strengthening CalPERS' standards, processes, and structures to build a strong control environment while promoting the organization's integrity and ethical culture. While the organization has done much to strengthen the internal control environment, enterprise governance around this is still maturing.						
Residual Risk	Probability	Impact	Velocity	Rating	Trend	
	Possible	Major	Medium	High Impact Low Probability		
Risk Driver #1: Unclear roles and responsibilities around applicable laws and regulations						
Mitigations and Controls in Place:						
1.1 Mandated training 1.2 Annual compliance communication plans 1.3 Embedded risk and compliance liaisons 1.4 Compliance and ethics discussion guides 1.5 Operational policies and procedures						
Future Mitigations:						
<ul style="list-style-type: none"> Develop compliance and risk communication and training plans to increase awareness throughout the enterprise (2017-18 Business Plan, June 2018) 						
Risk Driver #2: Lack of oversight and monitoring of controls						
Mitigations and Controls in Place:						
2.1 Enhanced roles and responsibilities for Integrated Assurance 2.2 State Leadership Accountability Act Report 2.3 Third-party assurance 2.4 Policy Management framework 2.5 Annual review of Board Delegations 2.6 Delegated authority framework 2.7 Annual Compliance Report 2.8 Internal audits and quality assurance process 2.9 Embedded Compliance and Risk Liaisons 2.10 Operational Risk Event Reporting process						

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Risk Driver #3: Ineffective controls and monitoring activities to prevent unethical behavior
Mitigations and Controls in Place:
3.1 Core values 3.2 Policies, regulations and ethical behavior standards 3.3 Monitoring regulated employee activities 3.4 Escalation procedures for Personal Trading Regulation violations 3.5 Compliance reviews of complex, cross branch function 3.6 Testing priorities through internal audits 3.7 State Whistleblower Hotline and CalPERS Ethics Helpline
Future Mitigations:
<ul style="list-style-type: none">• Develop consistent, enterprise-level investigation procedures (June 2018)


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Pension Funding Enterprise Risk Profile						
Enterprise Risk	Owner		Oversight		Category	
Pension Funding	Chief Financial Officer, Chief Actuary, Chief Investment Officer		Finance & Administration Committee, Investment Committee		Strategic	
Strategic Plan Goal		Fund Sustainability: strengthen the long-term sustainability of the pension fund.				
Functional Objective	To ensure the sustainability of the pension system to deliver retirement benefits.					
Risk Statement	Failure to meet benefit obligations to current and future members and beneficiaries.					
Risk Analysis:						
Pension Funding risk drivers are complex and interconnected. Current mitigations are strong, but inherent risks associated with Pension Funding create uncertainty in our ability to fully and effectively mitigate associated risk drivers. The mitigations for one particular risk driver may negatively impact another risk driver. For example, adopting a mitigation approach which significantly reduces the chance of a large decrease in the value of PERF assets may significantly increase the risk of employers being unable to meet contribution requirements.						
Residual Risk	Probability	Impact	Velocity	Rating	Trend	
	Unlikely	Extreme	Low	High Impact Low Probability		
Assets: Risk Drivers						
1a: Financial markets suffer a severe downturn						
1b: Investments underperform the discount rate on an extended year-over-year basis						
1c: Low funded status limits investment options						
1d: Government constraints and regulations reduce portfolio diversification						
1e: Employers default on contracted pension contribution payments						
1f: Portfolio size and complexity challenges efficient investment processes and limits investment universe						
Mitigations and Controls in Place:						
1a, 1b, 1c and 1f. Strategic Asset Allocation Targets and Ranges						
1a, 1b and 1c. Investment Strategy Group focused on portfolio allocation, trust level review, risk and attribution, and sustainability						
1a, 1b and 1c. Integrated processes, including Trust Level Portfolio Management and Investment Risk and Performance						
1a and 1b. CalPERS Board reporting controls in place, including monthly investment performance and risk reporting, and biannual (February and August) CalPERS Trust Level Review						
1b. Actuarial Amortization Policy						
1b. Contribution Allocation Policy						
1d. Monitoring and evaluation of proposed legislation in order to assess potential impacts						
1e. Enhanced employer contracting process						
1e. Employer contract termination process						
1f. INVO Roadmap Initiatives and Target Operating Model						
1f. Funding Risk Mitigation Policy						
1f. Asset Liability Management (ALM) Policy and cross-enterprise Asset Liability Management Advisory Committee to facilitate strategic decision making						
1f. Investment Operating Committee to focus on governance, processes, compliance, and operational efficiency						

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1f. Disciplined investment processes and teamwork to focus efforts on repeatable, predictable, and scalable portfolios and practices
Liabilities: Risk Drivers
2a: Actual experience deviates significantly from the actuarial assumptions
2b: Benefit design enhancements
2c: Employer contribution rate increases insufficient to reduce unfunded liabilities over time
Mitigations and Controls in Place:
2a. Actuarial Assumption Policy 2b and 2c. Actuarial Cost Method Policy, Actuarial Amortization policy 2c. Increased employer education
External Factors: Risk Drivers
3a: Pension reform legislation or referendums that reduce employer obligation to honor pension contracts
3b: Judicial decisions that alter benefit design or contribution requirements
3c: Changes to actuarial standards
Mitigations and Controls in Place:
3a. Engagement with member, retiree, and employer associations 3b. Provide technical expertise and industry thought-leadership to ensure sound decision-making


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Stakeholder Confidence Enterprise Risk Profile					
Enterprise Risk	Owner		Oversight	Category	
Stakeholder Confidence	Deputy Executive Officer, Communications and Stakeholder Relations		Finance & Administration Committee	Strategic	
Strategic Plan Goal		Fund Sustainability: strengthen the long-term sustainability of the pension fund.			
Functional Objective	To ensure CalPERS is recognized as a respected and trusted steward of the system and fiduciary in delivering retirement and health benefits by its members, employers and stakeholders.				
Risk Statement	Inability to maintain stakeholder confidence in CalPERS as a trusted fiduciary.				
Risk Analysis:					
The risk analysis notes an elevation to the inherent risk surrounding Stakeholder Confidence due to system solvency and sustainability decisions. Although CalPERS has developed a mature engagement strategy that effectively addresses unbalanced reporting and flagging public perception, there is an awareness of current issues due to the present political environment, as well as public opinion of public defined benefit plans.					
Residual Risk	Probability	Impact	Velocity	Rating	Trend
	Unlikely- Possible	Moderate- Major	Medium	High Impact Low Probability	
Risk Driver #1: Negative, inaccurate, or unbalanced information reporting					
Mitigations and Controls in Place:					
<ul style="list-style-type: none"> 1.1 Proactive, positive narrative of CalPERS actions and policies through all communications channels 1.2 Monitor and report on the perception of CalPERS in the media to identify opportunities and challenges 1.3 Respond and correct negative, inaccurate, or unbalanced reporting 1.4 Develop and maintain good working relationships with media outlets 1.5 Author messaging on key CalPERS actions, views, or policy changes 1.6 Leverage CalPERS leadership and program experts to help tell CalPERS story 1.7 Data integrity of information reporting 					
Risk Driver #2: Negative public perception of CalPERS and/or public defined benefit plans					
Mitigations and Controls in Place:					
<ul style="list-style-type: none"> 2.1 Proactive, positive narrative of CalPERS actions and policies through all communication channels 2.2 Board reporting on CalPERS economic impacts 2.3 Leverage CalPERS Ambassador Program and member associations 2.4 Timely fulfillment of all Public Record Act requests 2.5 Build and nurture positive relationships with stakeholders 2.6 Involvement in national public pension associations 2.7 CalPERS research on trends and plan design value 2.8 Asset Liability Management Advisory Council 					

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Risk Driver #3: CalPERS failure to engage, educate, and inform members, employers, stakeholders, and the CalPERS team
Mitigations and Controls in Place:
3.1 Outreach and engagement strategy 3.2 Digital Communications Roadmap and toolkit 3.3 Employer information and education events 3.4 Member information and education events 3.5 Monthly Stakeholder Engagement Briefings 3.6 Live webcasts of board meetings 3.7 Webinars and webcasts, including Board education resources 3.8 Social media channels
Risk Driver #4: Inability to inform, shape, or implement legislation
Mitigations and Controls in Place:
4.1 Inform legislative leaders and consultants on relevant legislative and regulatory issues 4.2 Build alignment and nurture relationships between CalPERS and key legislative leaders 4.3 Hold periodic briefings to educate Legislative Members on CalPERS issues concerning their constituents 4.4 Annually update legislative briefing packets 4.5 Legislative constituent help desk 4.6 Monitor and assess proposed legislation

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Talent Management Enterprise Risk Profile					
Enterprise Risk	Owner	Oversight	Category		
Talent Management	Deputy Executive Officer, Operations and Technology	Performance, Compensation, & Talent Management Committee	Strategic		
Strategic Plan Goal		Talent Management: promote a high-performing and diverse workforce.			
Functional Objective	To successfully recruit, develop, and retain an engaged, diverse, and qualified workforce.				
Risk Statement	Current workforce is unable to support and execute the core mission and strategic objectives of the Enterprise.				
Risk Analysis:					
There is a gap in CalPERS practices to capture institutional knowledge and fill hard-to-recruit for positions due to increasing retirements at senior level positions with 25% of the workforce projected to retire by 2022. CalPERS is actively investing in team members' professional growth to maintain continuity in the workforce and mitigate talent risks.					
Residual Risk	Probability	Impact	Velocity	Rating	Trend
	Unlikely-Possible	Major	Low	High Impact Low Probability	
Risk Driver #1: The skills and abilities of team members are inadequate to meet current and future business objectives					
Mitigations and Controls in Place:					
1.1 CalPERS 2012-17 Workforce Plan 1.2 Employee Performance and Development process 1.3 Informal Mentoring Program 1.4 Educational, developmental and training opportunities 1.5 Succession Planning Program 1.6 Leadership competencies 1.7 Unit-level workforce assessments					
Future Mitigations:					
<ul style="list-style-type: none"> • Online networking resource, Illuminet • Update enterprise Workforce Plan (June 2018) • Emerging Leader Pilot Program (2017-18 Business Plan June 2020) • Upward mobility policy that is targeted to entry-level positions (June 2018) • Develop and implement an expanded recruitment strategy (2017-18 Business Plan, June 2018) • Develop and administer team member engagement surveys (2017-18 Business Plan, June 2018) • Expand Diversity and Inclusion Program (2017-18 Business Plan, June 2018) • Develop Team Member Competency Model (June 2018) • Integration of leadership competencies into recruitment, training, and evaluation (2018-19 Business Plan, June 2019) 					

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Risk Driver #2: Loss of institutional knowledge
Mitigations and Controls in Place:
<ul style="list-style-type: none"> 2.1 Knowledge transfer for multi-year consultant contracts 2.2 CalPERS Informal Mentoring Program 2.3 Succession Planning Program 2.4 Annual Division Workforce Plans
Future Mitigations:
<ul style="list-style-type: none"> • Update enterprise Workforce Plan (June 2018)
Risk Driver #3: Inability to recruit and select qualified candidates
Mitigations and Controls in Place:
<ul style="list-style-type: none"> 3.1 Hiring manager education and support 3.2 Lean Hiring Process pilot program 3.3 State-wide Civil Service Improvement effort 3.4 Develop targeted recruitment strategies and activities for critical positions 3.5 Utilization of search firms 3.6 Career fairs and advertising in non-traditional mediums 3.7 Salary survey of comparable positions 3.8 Examination and Certification Online System 3.9 Market CalPERS as a destination employer 3.10 Incentive compensation programs and policies
Future Mitigations:
<ul style="list-style-type: none"> • Phased implementation of the Start Talent Acquisition Request System integrating the front and back-end of the hiring process with ECOS (June 2018) • Expand recruitment channels with focus on Veteran Organizations and Active Recruitments (2017-18 Business Plan, Goal B, June 2018)
Risk Drivers #4: Inconsistent or inadequate levels of engagement across the enterprise
Mitigations and Controls in Place:
<ul style="list-style-type: none"> 4.1 Ongoing Employee Enrichment programs 4.2 New employee onboarding 4.3 Diversity and Inclusion events 4.4 Innovation platforms
Future Mitigations:
<ul style="list-style-type: none"> • Expand the Diversity and Inclusion Program (June 2018) • Launch annual Employee Engagement Survey (June 2018)