









RISK CATEGORY / RISK STATEMENT		16/17	17/18	COMMENTS
High Impact High Probability	 <b>INFORMATION SECURITY</b> DEO, OPT,   Finance & Administration Committee Failure to protect and secure information assets.			<ul style="list-style-type: none"> <li>Scoring results remain the same.</li> </ul>
	 <b>BUSINESS CONTINUITY</b> DEO, OPT   Finance & Administration Committee Inability to recover timely and resume business functions following a business interruption event.			<ul style="list-style-type: none"> <li>Scoring results remain the same.</li> </ul>
High Impact   Low Probability	 <b>INTERNAL GOVERNANCE AND CONTROL ENVIRONMENT</b> CCO, CFO   Risk & Audit Committee Lack of a strong internal control environment could result in loss of authority or reputation, and/or incurred penalties.			<ul style="list-style-type: none"> <li>Title was changed to Internal Governance and Control Environment</li> <li>Decrease in the level of impact due to materiality.</li> </ul>
	 <b>PENSION FUNDING</b> CFO, Chief Actuary, CIO   Finance & Administration Committee, Investment Committee Failure to meet benefit obligations to current and future members and beneficiaries.			<ul style="list-style-type: none"> <li>Decrease in the level of impact due to methodologies used.</li> </ul>
	 <b>HEALTH CARE ADMINISTRATION</b> DEO, BPPP   Pension & Health Benefits Committee Inability to offer high quality, accessible, and affordable health care at a competitive price.			<ul style="list-style-type: none"> <li>Impact increased due to materiality and the rise of inherent risk concerning political uncertainty within the health insurance markets.</li> </ul>
	 <b>STAKEHOLDER CONFIDENCE</b> DEO, CSR   Finance & Administration Committee Inability to maintain stakeholder confidence in CalPERS as a trusted fiduciary.			<ul style="list-style-type: none"> <li>Scoring results remain the same.</li> </ul>
	 <b>TALENT MANAGEMENT</b> DEO, OPT   Performance, Compensation, & Talent Management Committee Current workforce is unable to support and execute the core mission and strategic objectives of the Enterprise.			<ul style="list-style-type: none"> <li>Revised risk statement focuses on efforts to fill critical positions and reviewing the overall workforce skillset.</li> <li>Increase in the level of impact due to materiality.</li> </ul>
Low Impact Low Probability	 <b>BENEFIT ADMINISTRATION</b> DEO, CSS   Pension & Health Benefits Committee CalPERS members, retirees, and beneficiaries may not receive timely and/or accurate benefits.			<ul style="list-style-type: none"> <li>Scoring results remain the same.</li> </ul>