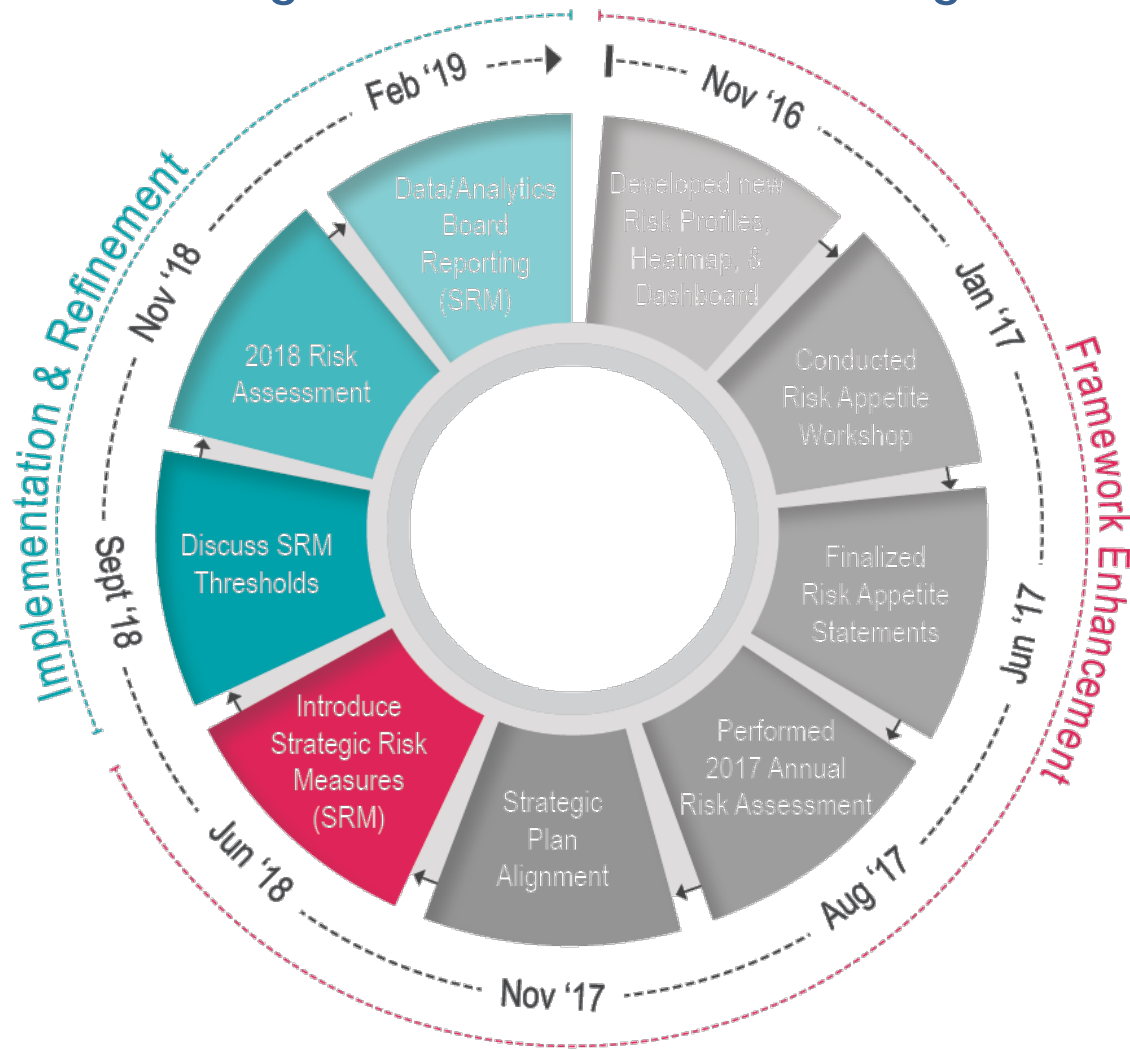


# Enterprise Risk Management Framework Review

Enterprise Risk Management Division

June 20, 2018

# Maturity of Risk Management Framework: Strategic Risk Measures



# Strategic and Risk Alignment



## Example



# Strategic and Risk Alignment



<p>Strategic Goals</p>	<p><b>FUND SUSTAINABILITY</b> Strengthen the long-term sustainability of the pension fund</p>	<p><b>Enterprise Risks</b> Pension Funding Stakeholder Confidence</p>
<p>Current Strategic Performance Measures</p>		<p>Strategic Risk Measures</p>

Probability of PERF falling below 50% funded over the next 30 years

Probability of sharp increase in employer contribution rates

Probability of high employer contribution rates

3 of the current strategic performance measures have been identified to become **Strategic Risk Measures**

Probability of PERF falling below 50 percent funded over the next 30 years

Probability of an increase in employer contribution rates

Probability of employer contribution rates exceeding current percentage of payroll

# Strategic and Risk Alignment

Strategic Goals	 <p><b>HEALTH CARE AFFORDABILITY</b> Transform health care purchasing and delivery to achieve affordability</p>	<p><b>Enterprise Risk</b> Health Care Administration</p>
Strategic Risk Measures		

- % of contracting agencies retained
- Total covered lives
- Legislation that negatively impacts CalPERS
- Health Care Fund required reserve

# Strategic and Risk Alignment



Strategic Goals	<p><b>REDUCE COMPLEXITY</b> Reduce complexity across the enterprise</p>	<p><b>Enterprise Risk</b> Benefit Administration</p>
Strategic Risk Measures		

- Board sponsored plan design
- Externally proposed bills-plan design
- Lean White Belt training

# Strategic and Risk Alignment



<p>Strategic Goals</p>	<p><b>RISK MANAGEMENT</b> Cultivate a risk-intelligent organization</p>	<p><b>Enterprise Risks</b> Information Security Business Continuity Internal Governance &amp; Control Environment</p>
<p>Strategic Risk Measure</p>		

Enterprise Risk Training Index



# Strategic and Risk Alignment



Diversity & Inclusion – Employee Engagement Survey

Employer Brand

# Questions?

