



Risk and Audit Committee

Agenda Item 5e

November 14, 2018

Item Name: Quarterly Status Report – Enterprise Risk Management

Program: Enterprise Risk Management

Item Type: Information Consent

Executive Summary

The purpose of this item is to provide the Risk and Audit Committee (Committee) with an update on the first quarter activities included in the Enterprise Risk Management Plan (Plan) for the period July 1, 2018, through September 30, 2018.

Strategic Plan

This agenda item supports the 2017-22 CalPERS Strategic Plan Goal - Risk Management: Cultivate a risk-intelligent organization. Enterprise Risk Management Division (ERMD) provides assurance to the Board of Administration (Board) through the implementation of an effective enterprise-wide risk management program and the continued cultivation of a risk-intelligent organization.

Background

ERMD developed the 2018-19 Plan to communicate priorities in support of CalPERS' Strategic and Business Plans, vision, and mission. In June 2018, ERMD received Committee approval for the Plan, which aligns program initiatives to the strategic goals of Fund Sustainability and Risk Management. Progress on Plan activities for the first quarter are reported on the Plan Dashboard (Attachment 1).

Analysis

ERMD significant activities and accomplishments for the first quarter of fiscal year 2018-19 include:

Fund Sustainability

ERMD continued to advance Asset Liability Management within the enterprise by:

- creating and coordinating the approval of the Asset Liability Management Advisory Council (ALMAC) Charter.

Risk Management

ERMD continued to collaborate with the enterprise to advance the Enterprise Risk Management Framework by:

- finalizing the Strategic Risk Measure thresholds; and
- incorporating the Integrated Assurance Maps into the Annual Enterprise Risk Assessment.

ERMD continued to collaborate with the enterprise on the cultivation of a risk-intelligent organization by:

- communicating with team members through internal communication channels; and
- evaluating the current data management policies and governance structure, and researching best practices for data management infrastructure.

Key areas ERMD will address in the coming fiscal year include:

- Fund Sustainability –
 - working with ALMAC to review the Asset Liability Management Policy.
- Risk Management –
 - continuing the enterprise roll-out of the Operational Risk Event training
 - completing the Strategic Risk Measure reporting structure
 - executing the ERMD Communication Plan
 - continuing to develop Enterprise Data Governance.

Budget and Fiscal Impacts

Not Applicable

Attachments

Attachment 1 – 2018-19 Enterprise Risk Management Plan Dashboard

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Chief Risk Officer

Michael Cohen
Chief Financial Officer