

2019–20 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.

Initiative 1

Facilitate the Asset Liability Management Advisory Committee (ALMAC) to assist the Board in making decisions throughout the ALM cycle.

2019–20 Deliverable

- » Coordinate ALM mid-cycle update
- » Vital signs rollout



RISK MANAGEMENT

OBJECTIVE

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

Initiative 1

Enhance Enterprise Risk Management Framework.

2019–20 Deliverable

- » Strengthen the Enterprise Risk Profiles by implementing additional quantitative tools and techniques into the risk assessment process
- » Expand risk profiles to include documented risk response plans
- » Refine current strategic risk measures and develop additional leading risk indicators to validate performance

Initiative 2

Complete the 2019 Annual Enterprise Risk Assessment.

2019–20 Deliverables

- » Update: Dashboard, Risk Profiles, and Heatmap

Initiative 3

Reevaluate the Board's risk appetite and align with enterprise objectives.

2019–20 Deliverables

- » Review and revise strategic risk measure tolerances, if necessary

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OBJECTIVE

Enhance Enterprise Internal Control Framework to advance risk management capabilities and provide the Board with heightened assurance.

Initiative 1

Further develop internal control repository, including standardized cross-functional process maps to document internal controls for the enterprise-wide functions. (2018–22)

2019–20 Deliverables

- » Continue to finalize phased implementation plan for internal control documentation
- » Accelerate mapping of select enterprise-wide functions per implementation plan and return to anticipated schedule

Initiative 2

Implement Operational Risk Event Reporting: Phase 2. (2018–22)

2019–20 Deliverables

- » Continue to conduct divisional operational risk event training
- » Collaborate cross-functionally to develop central intake for multi-event reporting (ECOM, ISOF, ERMD)

OBJECTIVE (2017–22 Strategic Plan)

Enhance compliance and risk functions throughout the enterprise.

Initiative 1

Educate CalPERS team members and stakeholders on the importance of a risk-intelligent organization through the implementation of the ERMD Communication Plan. (2018–22)

2019–20 Deliverables

- » Update and implement the 2019–20 ERMD Communication Plan
- » Partner with the Human Resources Division to enhance risk management trainings

Initiative 2

Enterprise Data Governance: Create/enhance policies and processes to strengthen data-driven decisions, ensure intent is understood, and improve the consistency of data use across the enterprise which includes people, process, technology and culture dimensions. (2018–22)

2019–20 Deliverables

- » Develop identified policies
- » Identify enterprise data domains and owners

Initiative 3

Complete 2019 State Leadership Accountability Act (SLAA) Reporting.

2019–20 Deliverables

- » Submit the SLAA Report to the Department of Finance by December 31, 2019