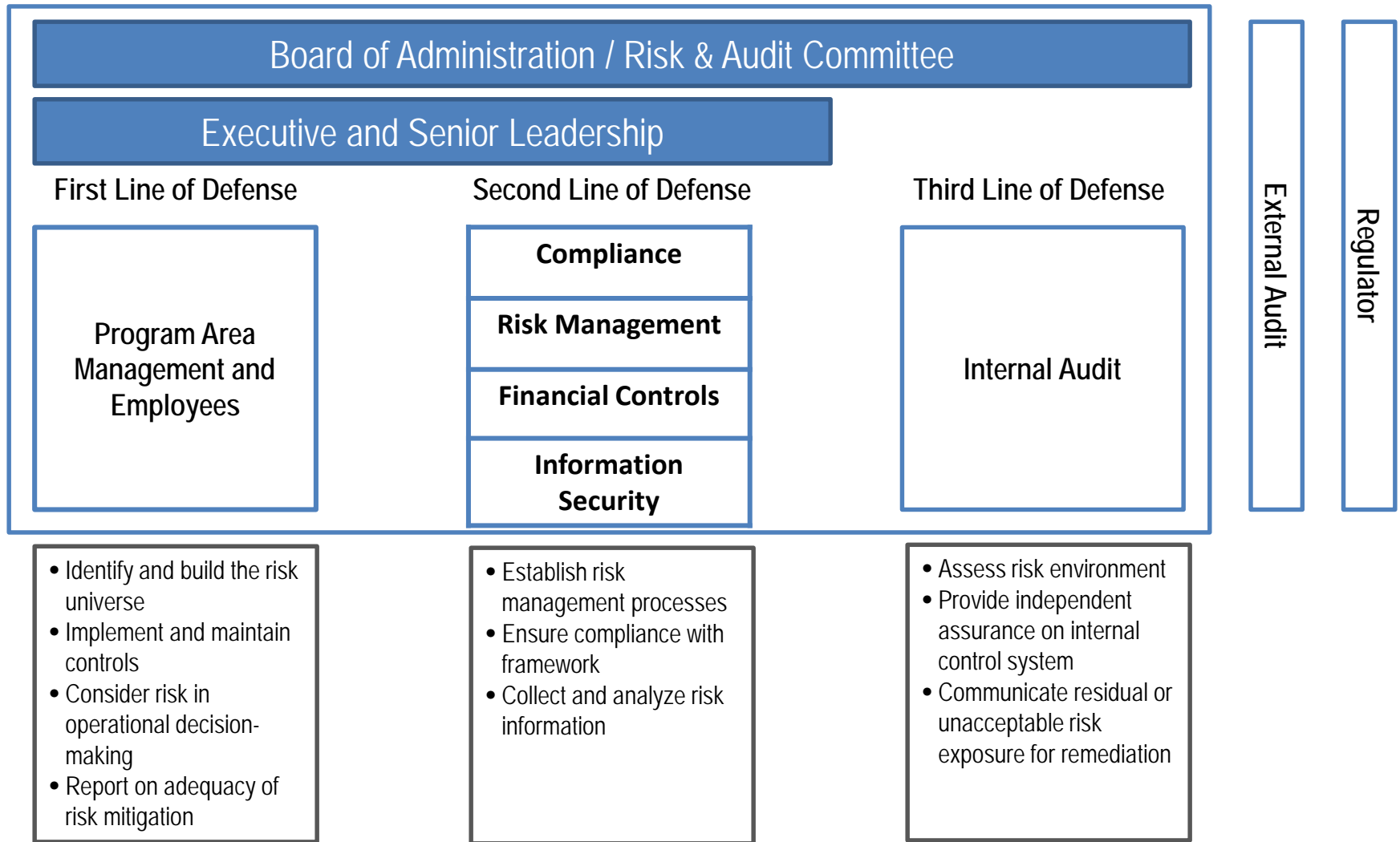


Integrated Assurance Overview

Presented to
Risk and Audit Committee
November 19, 2019

CalPERS Integrated Assurance Model



Governance

Governance serves as a guide and sets out rules and operational guidance on how to run an organization.

It applies to what an organization does, how it is done, when it is done, and by whom.

Maintain Policy Governance

Maintain Delegation of Authority Governance

Design Compliance Policies and Procedures

Culture and Ethics

Culture trumps compliance.

Measure CalPERS Culture

Promote a Culture of Integrity

Maintain Reporting Channels

Intake and Triage Employee Reports

Training and Communication

Compliance departments responsible for ethics must create effective training and communications relevant to their intended audiences.

Develop and Deliver Compliance Training

Measure Training Effectiveness

Develop and Deliver Communications Content

Monitoring and Testing Compliance



Reporting

The compliance program evaluates the effectiveness of the program through metrics. It benchmarks and reports that information to key stakeholders.



Enterprise Compliance 2018-19 Mid-Year Plan Update

Strategic Initiative: Risk Management

Item 8b - Attachment 1
Page 1 of 1

STATUS	INITIATIVES	Q2 UPDATES
50%	Manage Third Party Risks Enhance vendor conflict of interest monitoring	
100%	Maintain Reporting Channels Promote awareness of existing non-retaliation protections	Completed December 2018
50%	Establish Incentives and Disciplinary Measures Explore adding risk and compliance components into performance plans and evaluations	
60%	Code of Conduct Formalize ethics values, policies, and expectations in a single document <ul style="list-style-type: none"> Include easy-to-understand guidance on high-risk policies Incorporate learning aids to increase comprehension 	
100%	Assess Compliance Risks Partner with the Risk Management Office to establish a compliance risk assessment process	Completed December 2018
100%	Assess compliance risks at the operational and enterprise level	
75%	Build Mitigation Plans for Key Compliance Risks Use compliance risk assessment to identify key compliance risks	
0%	Document risk-specific mitigation plans	Dependent upon completing risk assessment
30%	Measure Organizational Culture Regularly assess employee perceptions of organizational culture	Spring survey prepared
75%	Promote a Culture of Integrity Reinforce the importance of ethics in compliance communications	
50%	Measure and Report Program Effectiveness Benchmark program maturity against peers	
0%	Provide context for metrics by analyzing trends over time	Dependent upon benchmark results

Status Legend: ■ On-Target ■ At-Risk ■ Off-Target

Board & Employee Form 700 Filings

Q1 FY 2019-20 Statements Due (Board & Employee)				
Statement Type	Submitted Timely	Submitted Late	Outstanding	Total Due
Assessing Office	30	--	--	30
Leaving Office	31	2	--	33
Annual	--	--	--	--
Grand Total	61	2	--	63

Observations:

- CalPERS currently has 910 Board and employee Form 700 filers.
- Out of 63 statements due in Q1 FY 2019-20, 61 (97%) were submitted timely and 2 (3%) were not submitted timely.
- No statements due during the quarter remain outstanding at the end of Q1 FY 2019-20.

Note:

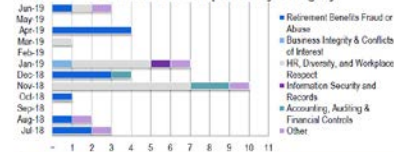
- See Page 17 for Statement definitions.



Ethics Helpline: Complaints Closed



Substantiated Complaints by Category



Observation:

- During Q4 FY 2018-19, 19% (7 of 37) of closed complaints were substantiated.

- Note:**
- "Not substantiated" includes complaints that were closed as unsubstantiated, inconclusive, or for insufficient information.
 - See Pages 17-18 for complaint category definitions and case status definitions.



Compliance and Ethics Supports CalPERS Objectives

