

## 2020–21 ENTERPRISE RISK MANAGEMENT PLAN

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### 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.

#### 2020–21 Deliverable

- » Review and update ALM Policy
- » Oversee ALM cycle timeline implementation



### RISK MANAGEMENT

#### OBJECTIVE

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

#### Initiative 1

Advance maturity of the risk management program by embedding emerging risk into enterprise-wide risk assessments.

#### 2020–21 Deliverable

- » Participate during Integrated Assurance enterprise-wide risk assessment
- » Expand enterprise risk management framework to include emerging risks
- » Develop and present emerging risk reporting to RAC

#### Initiative 2

Complete the 2020 Annual Enterprise Risk Assessment.

#### 2020–21 Deliverables

- » Update: Dashboard, Risk Profiles, and Heatmap

#### OBJECTIVE

Integrate enterprise risk management practice into enterprise strategy.

#### Initiative 1

More fully incorporate enterprise risk analysis in the strategic planning process.

#### 2020–21 Deliverables

- » Provide independent reassurance of the current strategic performance measures
- » Partner with Enterprise Strategy & Performance Division in the development of the 2022–27 Strategic Plan

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### OBJECTIVE

Enhance enterprise internal control framework to provide the Board and management with heightened assurance and aid in risk informed decision making.

#### Initiative 1

Document internal controls by mapping program level cross-functional processes.

##### *2020–21 Deliverables*

- » Identifying, mapping, and documenting internal controls at the program level

#### Initiative 2

Implement Operational Risk Event Reporting: Phase III.

##### *2020–21 Deliverables*

- » Develop and implement a consolidated Inside CalPERS page that directs team members to available reporting resources
- » Continue to collaborate with internal partners to deliver targeted risk management trainings

### OBJECTIVE (2017–22 Strategic Plan)

Enhance compliance and risk functions throughout the enterprise.

#### Initiative 1

Educate CalPERS team members and stakeholders to continue to cultivate a risk-intelligent organization through the implementation of the ERMD Communication Plan.

##### *2020–21 Deliverables*

- » Update and implement ERMD Communication Plan
- » Continue partnership with Human Resources Division to enhance risk management trainings

#### Initiative 2

Enhance enterprise data governance to ensure accuracy, consistency, and strengthen data-driven decisions.

##### *2020–21 Deliverables*

- » Design and present long-term solution for CalPERS data management support
- » Implement Enterprise Data Management Communication Plan

#### Initiative 3

Complete 2019 State Leadership Accountability Act (SLAA) Report Implementation Plan updates.

##### *2020–21 Deliverables*

- » Submit the SLAA Report implementation plan updates to the Department of Finance by December 31, 2020 and June 30, 2021

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### ERMD OBJECTIVE

Evaluate CalPERS' insurance portfolio to verify adequate coverage exists for current risk transfer strategies.

### Initiative 1

Review CalPERS' insurance portfolio.

#### *2020–21 Deliverables*

- » Provide analysis and implement recommendations