

# Enterprise Compliance 2021-22 Mid-Year Plan Update

## Strategic Initiative: Risk Management

STATUS	INITIATIVES	Q2 UPDATES
	<h3>Mitigate Strategic Compliance-Risk Exposure</h3>	
50%	<ul style="list-style-type: none"> <li>Continue to develop and enhance standardized processes for Third-Party Risk Management to support risk-informed decision making</li> </ul>	<ul style="list-style-type: none"> <li>Formed enterprise working group to research and complete contracting gap analysis</li> <li>Team (at Executive level) is developing an escalation process/procedure for managing contracts involving sensitive/high-risk CalPERS information</li> </ul>
50%	<ul style="list-style-type: none"> <li>Strengthen tools for program areas to identify and escalate compliance and ethics risks, including fraud prevention</li> </ul>	<ul style="list-style-type: none"> <li>Co-authored a conflicts guidance memorandum with Legal and INVO for the Investment Office</li> <li>Continued to work with outside consultant to review CalPERS' operations for potential fraud risks and improvement of its fraud prevention program</li> </ul>
	<h3>Identify and Mitigate Potential Conflicts of Interest Risk</h3>	
70%	<ul style="list-style-type: none"> <li>Mature tools and guidelines to strengthen conflict of interest oversight</li> </ul>	<ul style="list-style-type: none"> <li>Conducted a comprehensive review of all Form 700s for a 2–5 year period and oversaw the corresponding amendment process</li> </ul>
70%	<ul style="list-style-type: none"> <li>Provide conflict of interest education and communication</li> </ul>	<ul style="list-style-type: none"> <li>Provided training for Form 700 filers</li> <li>Developed training materials for new team member and consultant filers</li> <li>Documented and evaluated Conflicts of Interest processes to identify improvements and focus areas</li> </ul>
	<h3>Enhance Culture of Compliance</h3>	
50%	<ul style="list-style-type: none"> <li>Advance a culture of ethics and integrity that incorporates a virtual work environment</li> </ul>	<ul style="list-style-type: none"> <li>Created and shared Yammer posts highlighting each chapter of the Code of Conduct and its relevance in a virtual work environment</li> </ul>
50%	<ul style="list-style-type: none"> <li>Promote Code of Conduct by developing easy to understand guidance and learning aids</li> </ul>	<ul style="list-style-type: none"> <li>Created and shared discussion guides outlining the Code of Conduct including team exercises relevant to a virtual work environment</li> <li>Created and shared Code of Conduct emails for our Compliance and Risk Liaisons outlining each chapter's contents and their relevance for a virtual work environment to be distributed to their divisions</li> <li>Exploring the viability of a possible Code of Conduct webinar in the future</li> </ul>

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

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STATUS	INITIATIVE	Q2 UPDATES
	<b>Assess Management of Compliance Data &amp; Automation</b>	
50%	■ Evaluate technology solution to strengthen the compliance control environment	<ul style="list-style-type: none"><li>Worked to identify business requirements and researched systems to strengthen the personal trading compliance control environment</li></ul>
50%	■ Identify technology to improve how key legal and regulatory requirements are tracked	<ul style="list-style-type: none"><li>Partnered with ITSB to determine if legal and regulatory tracking can be integrated with other enterprise-wide tracking efforts</li></ul>

Status Legend

■ On-Target

■ At-Risk

■ Off-Target