

FY 2025-26 Enterprise Compliance, Risk & Governance Annual Plan

CalPERS Risk and Audit Committee

June 17, 2025

Goal

Mature an industry standard enterprise compliance and risk program utilizing integrated technology systems, people, and process capabilities to manage and mitigate compliance and ethics risks.

FY 2025–26 will continue initiatives started in FY 2023-24 and begin new initiatives to deepen the compliance and risk program into FY 2025–26 and beyond.

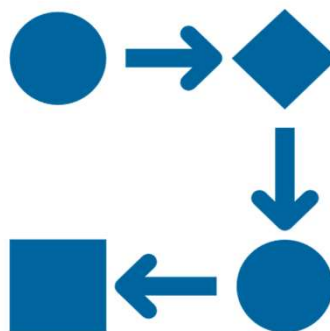
Priorities

People



- Recruit and educate compliance team
- Deepen first/second line roles & responsibilities

Processes



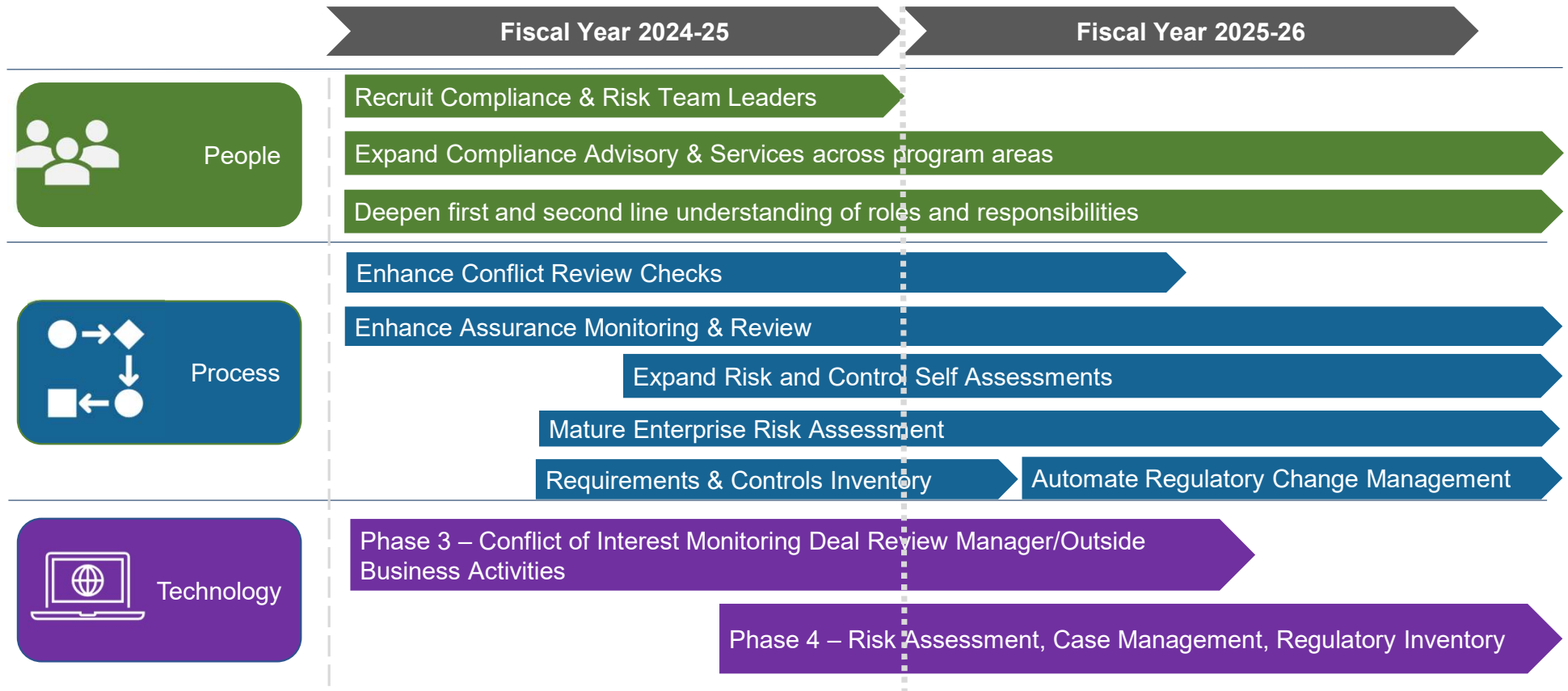
- Enhance conflict of interest oversight
- Mature Risk Assessment Program
- Conduct Monitoring & Assurance Reviews

Technology



- Expand eGRC Technology Platform key to compliance and risk foundational structure

2024-26 Roadmap



Objective FY 2025-26

Assess CalPERS' compliance and risk management functions and prioritize initiatives that will modernize the systems, tools, and surveillance capabilities.

Initiative 1 - Build out Enterprise Compliance and Risk Management technology and tools in support an industry standard Compliance and Risk Management Program. (Multi-Year)

1.1 Establish a centralized Governance Risk and Controls Platform. (Multi-Year)

Initiative 2 – Enable CalPERS to better assess risk within the program areas and provide aggregated reporting at the enterprise level. (Multi-Year)

2.1 Develop First Line Risk and Control Self-Assessment process in collaboration with the first line of defense within each program area. (Multi-Year)

2.3 Establish a formal Regulatory Change Management Framework to support enterprise understanding of new and changing requirements. (Multi-Year)

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Initiative 3 - Enhance assurance, monitoring, and issues remediation capabilities to minimize compliance risks. (Multi-Year)

3.1 Enhance Monitoring of Conflicts of Interest. (Multi-Year)

3.2 Support Risk Management initiatives across the enterprise in partnership with all first line of defense program areas. (Multi-Year)

3.3 Enhance processes for conducting assurance reviews and monitoring of risk within each program area. (Multi-Year)

3.4 Provide team members with education and tools to identify and disclose potential compliance issues (Multi-Year).

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Initiative 4 - Educate and cultivate ethical and risk-intelligent practices amongst CalPERS team members. (Multi-Year)

4.1 Enhance Compliance and Risk Training Programs across the organization. (Multi-Year)

4.2 Establish formal Compliance and Risk Advisory Teams aligned with program areas. (Multi-Year)

4.3 Drive Risk Governance and Policy Practices to adhere to more formal process. (Multi-Year)