



## Risk and Audit Committee

# Agenda Item 5a

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**June 17, 2026**

**Item Name:** 2026-27 Enterprise Compliance, Risk, & Governance Office Annual Plan

**Program:** Enterprise Compliance, Risk & Governance (ECRG)

**Item Type:** Action

### **Recommendation**

Approve the proposed FY 2026-27 Enterprise Compliance, Risk & Governance Office Annual Plan.

### **Executive Summary**

This item provides an overview of the FY 2026-27 Enterprise Compliance, Risk & Governance Office Annual Plan being presented for Risk and Audit Committee approval.

### **Strategic Plan**

This item supports CalPERS FY 2022-27 Organizational Excellence Strategic Plan Goal: Cultivate a diverse, risk-intelligent, and innovative culture through our team and processes, and ECRG's strategic measures of Employee Compliance Awareness, Risk Management Effectiveness, Employee Risk Awareness, and Organizational Compliance Effectiveness.

### **Background**

ECRG team members developed the FY 2026-27 Enterprise Compliance, Risk & Governance Office Annual Plan (Annual Plan) by evaluating current operations and priorities against progress of the prior FY 2025-26 Annual Plan and remaining initiatives to establish an industry standard compliance and risk management program. The Annual Plan builds upon the existing compliance and risk management principles and standards in place to support a strong ethical and risk-intelligent culture.

## **Analysis**

ECRG works to ensure that CalPERS complies with all applicable laws and regulations while advancing the organization's goal of cultivating a risk intelligent organization in partnership with all program areas.

The FY 2026-27 Annual Plan is designed to continue CalPERS momentum in expanding compliance and risk management tools, processes and frameworks. In the upcoming year, ECRG will focus on the following areas:

- Enable CalPERS to better assess risk within the program areas and provide aggregated reporting through the continued implementation of the Risk and Controls Self-Assessment (RCSA) process across the organization and piloting the Regulatory Change Management framework in partnership with program areas.
- Enhance assurance and monitoring capabilities to minimize compliance risks, including strengthening governance for the Conflict of Interest (COI) management program to include a COI Policy.
- Educate and cultivate ethical and risk-intelligent practices amongst CalPERS team members by continuing to build and deliver training to support team members' compliance and risk awareness.

## **Budget and Fiscal Impacts**

Funding for the proposed activities will be provided through the approved ECRG budget.

## **Benefits and Risks**

The purpose of the Annual Plan is to advance initiatives that ensure CalPERS maintains compliance with all applicable laws, regulations, and policies by partnering with program areas to support risk-informed decision-making and improve risk and compliance practices enterprise-wide.

The benefits of implementing the plan include the following:

- Coordinated compliance and risk management efforts to enhance the consistency of controls and support monitoring for adherence to policies and procedures.
- Creates clarity in compliance roles, responsibilities, and expectations.
- Enhances internal controls and compliance effectiveness.

Risks associated with failure to implement the plan include the following:

- Failures of policies, procedures, and laws remain undetected.
- Lack of compliance and risk awareness impacting organizational decision-making.
- Potential loss of stakeholder confidence in CalPERS' ability to manage known risks.

## **Attachments**

Attachment 1 – FY 2026-27 Enterprise Compliance, Risk & Governance Annual Plan

Attachment 2 – FY 2026-27 Enterprise Compliance, Risk & Governance Annual Plan Slide Deck

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