2024-25 Enterprise Compliance, Risk, & Governance Annual Plan

Risk and Audit Committee

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CalPERS

Goal

Mature best-in-class enterprise compliance and risk program utilizing integrated technology systems, people, and process capabilities to manage and mitigate compliance and ethics risks.

FY 2024–25 will continue initiatives started in FY 2023-24 and begin new initiatives to deepen the compliance and risk program, continuing into FY 2025–26 and beyond.
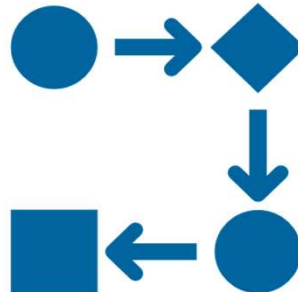
Priorities

People

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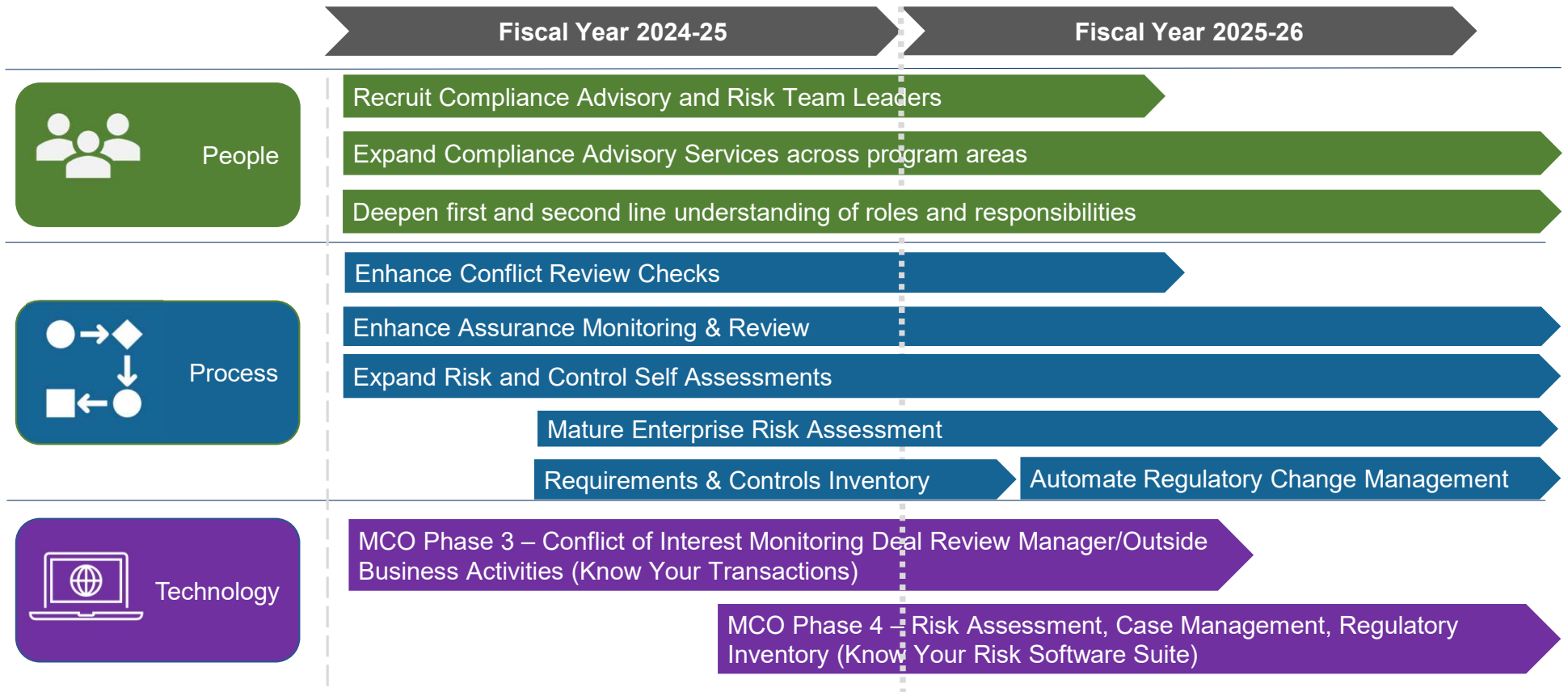
Processes

- 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

Fiscal Year 2024-25	Fiscal Year 2025-26

People
- Recruit Compliance Advisory and Risk Team Leaders
- Expand Compliance Advisory Services across program areas
- Deepen first and second line understanding of roles and responsibilities

Process
- Enhance Conflict Review Checks
- Enhance Assurance Monitoring & Review
- Expand Risk and Control Self Assessments
- Mature Enterprise Risk Assessment
- Requirements & Controls Inventory
- Automate Regulatory Change Management

Technology
- MCO Phase 3 – Conflict of Interest Monitoring Deal Review Manager/Outside Business Activities (Know Your Transactions)
- MCO Phase 4 – Risk Assessment, Case Management, Regulatory Inventory (Know Your Risk Software Suite)

CalPERS Enterprise Compliance, Risk, & Governance

Objective FY 2024-25

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 to support a Best-in-Class 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 division. (Multi-Year)

Objective FY 2024-25

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

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 programs. (Multi-Year)

3.3 Enhance processes for conducting assurance reviews and monitoring of risk within the first line. (Multi-Year)

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 divisions. (Multi-Year)

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