CALSTRS

Enterprise Risk Management Plan Progress Report as of September 30, 2024

18-Month Maturity plan covers the period of January 1, 2024, through June 30, 2025

#	Activity	Status	Accomplishments
Phase 1			
1	Develop training plans for ERM staff	Completed	• Identified desired competencies to support an ERM program and mapped to staff's current skillset. • Created succession plans for key ERM positions.
2	Develop organization-wide risk appetite and tolerance statements	Completed	• Risk appetite statements adopted by the executive team. • Mapped risk appetite statements to core values.
3	Create a consolidated risk universe	Completed	• Consolidated branch level risks as well as emerging and existential risks.
4	Deploy software solution that supports maturity of the ERM program	On target	• Working through the internal procurement process to acquire software.
Phase 2			
5	Enhance Education of ERM Stakeholders (Board, ARM, Executive Risk and Compliance Committee, Risk Champions Network)	On target	• Presented ERM Framework to the ARM committee in March 2024. • Creating detailed educational materials for ERM stakeholders.
6	Develop frameworks for internal and external environmental risk factors/events	On target	• External environment framework is complete, next is internal environment.
7	Develop Key Risk Indicators (KRIs) relevant to the risk appetite and strategy	On target	• KRIs aligned with strategic objectives, still working to align with risk appetite.
8	Create an annual training needs assessment for ERM staff, Risk Champion Network and Executive Risk and Compliance Committee members	Not started	
9	Integrate existing organizational data into ERM software solution	Not started	

#	Activity	Status	Accomplishments
Phase 3			
10	Ensure risk appetite and tolerances are an integral part of the strategic planning process	On target	• Collaborating with Enterprise Strategy Management to integrate risk appetite into strategic planning process.
11	Develop a holistic risk profile template for all risk types	Not started	
12	Establish and gain approval of criteria to prioritized risks	On target	• Developing criteria for prioritizing risks.
13	Identify impacts on business objectives by regularly assessing internal and external environments risk factors	On target	• Foundational components are being worked on as part of activity six.
14	Establish a formal escalation process to communicate emerging risk with executive leadership and board members	Not started	
15	Identify the most value-add activity and outcome-based performance measures	Not started	