CALSTRS

FY 2025-26 Enterprise Risk Management Maturity Plan Closeout Report

This maturity plan builds on the prior plan and reflects the current status of key activities undertaken to advance ERM toward the "Managed" stage of maturity, including strengthening metrics-driven practices, improving outcome measurement, expanding self-evaluations, increasing engagement across the organization and deploying software that supports ERM maturity.

Activity	Status	Accomplishment/Update
Deploy software solution that supports ERM program maturity	Completed	• Finalized system design aligned with ERM maturity needs. • Completed system testing and pilot validation. • Software solution is actively being used by ERM staff to gather risk data and generate reports.
Integrate organizational data into ERM software solution and leverage software for improved risk monitoring and reporting	Completed	• Validated inventory of enterprise risk data for integration. • Loaded all organizational risk data into Riskonnect to enable standardized analysis and reporting.
Develop and implement a process to ensure risk tolerances are an integral part of the strategic planning process	Completed	• Established partnership with Enterprise Strategy Management to align ERM activities with strategic planning. • Created a shared approach for exchanging ERM insights to support identifying Key Risk Indicators (KRIs) and risk tolerances.
Develop KRIs relevant to the risk tolerance and strategy	Not Completed	• Assessed and incorporated into the FY 2026-27 work plan for completion.
Develop a holistic risk profile template for all risk types	Completed	• Configured Riskonnect to support integrated risk profiles, controls and mitigation actions. • Implemented standardized templates to ensure consistent, enterprise-wide risk documentation and assessment.
Fully align enterprise risk assessments with assurance partners across the organization	Completed	• Established a unified, cross-functional approach to risk evaluation to strengthen transparency and assurance coordination.

Establish criteria for prioritizing risks given the severity, relevance to objectives and risk tolerance	Not Completed	• Assessed and incorporated into the FY 2026-27 work plan for completion.
Implement performance metrics to assist the Executive Risk and Compliance Committee with evaluating risk management operations	Not Completed	• Assessed and incorporated into the FY 2026-27 work plan for completion.