



RISK MANAGEMENT MASTER CHECKLIST

Operational Risks

- Issues that could cause a delay in producing deliverables (e.g., platform, programming or documentation, among others) resulting in a delay in Pilot or Program launch
- Program staffing, including professional resources dedicated to CalSavers
- Program participation (e.g., initial education and outreach less effective than desired to employers and employees and/or opt-out rate is higher than expected)
- Budget variances and potential for delay in repayment of General Fund loan
- No direct control over Program Administrator and Investment Manager but exposure to headline risks associated with each (e.g., privacy breaches)
- Customer service insufficiencies
- Business interruption
- Breach of contract provisions leading to possible default

Reputational Risks

- Image and branding
- Stakeholder relationships
- External and third-party communications
- Marketing and educational materials
- Market downturn shortly after launch; anxious investment experience for savers

Information Technology and Cybersecurity Risks

- Integrity of recordkeeping, customer service and custodial platforms
- Data privacy of eligible and participating employees
- Digital communications

Legal, Regulatory and Compliance Risks

- Legal challenges to Program regarding status (deemed to be an ERISA plan)
- Lawsuits from participants and other interest groups (ongoing monitoring of HJTA suit and those in other jurisdictions)
- New and modified regulations and statutory provisions (both federal and State)
- Non-compliance with statutes and regulations (both federal and State) by Program Administrator, Investment Manager, their subcontractors, or CalSavers' third party outreach partners (part of headline and reputational risk also)

Financial Risks

- Capital markets environment (e.g., risk of investment losses)
- Performance of investment managers
- Calculations of individual account values
- Accounting and audit issues



Governance and Fiduciary Risks

- Board actions not compliant with governance and fiduciary standards
- Fraudulent activity by State/Board employees, the Program Administrator, the Investment Manager (including any of their subcontractors), or CalSavers' outreach partners
- Continual oversight of all aspects of Program operations



**RISK MANAGEMENT QUARTERLY REPORT
AS OF OCTOBER 2018**

Risk Category	Applicable Considerations	Green	Yellow	Red
Operational	Delays in deliverables for Pilot	X		
	Employer participation in Pilot	X		
	Program staffing (Ascensus)	X		
	EDD employer data access, including emails		X	
	Potential corporate issues with PA or IM	X		
Reputational	Stakeholder relationships	X		
	Marketing and educational outreach by third parties	X		
Information Technology / Cybersecurity	None identified as of this date	X		
Legal, Regulatory and Compliance	HJTA litigation			X
	Emergency regulations in place prior to Program open	X		
	Regular regulations in place prior to Emergency Regulations expiration.	X		
	Other challenges to Program authority or design	X		
	Treatment of cannabis industry employers	X		
Financial	None identified as of this date	X		
Governance and Fiduciary	None identified as of this date	X		

Green – No immediate risk identified or risk mitigation successful

Yellow – Potential risk identified and risk management plan is being considered

Red – Risk management plan is in place and is being executed (previously identified risks) or risk mitigation plan is being developed and will be implemented (new risks)