

# Office of Audit Services Audit Plan

FY 2021-22

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## AUDIT PLAN BY CALPERS BRANCH/DIVISION/ACTIVITY\*

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\* Primary Division is identified for each auditable activity; additional Divisions may be impacted.

## **CUSTOMER SERVICES & SUPPORT**

### **Employer Compliance Reviews**

Evaluate employer compliance with applicable sections of the Public Employees' Retirement Law and prescribed reporting and enrollment procedures.

### **Finding Validation**

Monitor the resolution of outstanding employer audit findings.

### **Participant Record Maintenance (PRM) (finalize prior year)**

Evaluate the effectiveness of controls over PRM within myCalPERS.

(Impacted Divisions: Employer Account Management Division/Member Account Management Division/Retirement Benefits Services Division)

## **Disability & Survivor Benefits Division**

### **Disability Retirement Process**

Evaluate the effectiveness of controls over the disability retirement process.

## **Employer Account Management Division**

### **Retired Annuitant Employer Fees (finalize prior year)**

Evaluate the effectiveness of controls over retired annuitant employer fees.

### **Special Compensation and Reporting**

Evaluate the effectiveness of controls over special compensation and reporting.

## **Retirement Benefits Services Division**

### **Benefit Calculation Overrides (finalize prior year)**

Evaluate the effectiveness of user access controls over benefit calculation overrides.

### **Retired Annuitant Reinstatement Calculations (finalize prior year)**

Evaluate the effectiveness of controls over reinstatement calculations for unlawfully employed retired annuitants.

### **Community Property Program**

Evaluate the effectiveness of controls over the Community Property Program.

### **Judges' and Legislators' Retirement System (JLRS)**

Evaluate the effectiveness of controls over the JLRS retirement process.

### **Unclaimed Benefits and Dormant Accounts**

Evaluate the effectiveness of controls over unclaimed benefits and dormant accounts.

## ENTERPRISE COMPLIANCE

### Investment Compliance

#### **Restricted Trading List**

Evaluate the effectiveness over updating of compliance controls to monitor trades against the restricted trading list.

### Enterprise Compliance Policy & Program

#### **Conflict of Interest**

Evaluate the effectiveness of controls over CalPERS conflict of interest process.

## FINANCIAL OFFICE

### Pension Contract & Prefunding Programs

#### **Supplemental Income Plan – Third-Party Administrator**

Evaluate the third-party administrator's compliance with specific provisions of its agreement with CalPERS.

## GENERAL COUNSEL OFFICE

### Information Security Office

#### **Data Privacy (Personal Health Information (PHI)) (consulting)**

Determine compliance with PHI guidelines.

#### **Member Self Service (MSS)**

Evaluate the effectiveness of controls over monitoring of MSS security.

## HEALTH POLICY & BENEFITS

### Health Account Management Division

#### **Dependent Eligibility Verification for Eligible Family Members (finalize prior year)**

Evaluate the effectiveness of controls over the Dependent Eligibility Verification process for eligible family members.

### Health Policy Research & Administration Division

#### **Contract Administration Oversight for Association Plan (finalize prior year)**

Evaluate the effectiveness of controls over the contract administration oversight for association plans.

## HEALTH POLICY & BENEFITS (CONTINUED)

### Health Policy Research & Administration Division

#### **Contract Administration Oversight for Health Maintenance Organizations (finalize prior year)**

Evaluate the effectiveness of controls over the contract administration oversight for Health Maintenance Organizations.

#### **Data Warehouse Contract**

Evaluate contractor's compliance with specific provisions of its agreement with CalPERS.

#### **Data Warehouse: Health Care Information Analysis**

Evaluate the effectiveness of controls over the administrative oversight of the data warehouse.

#### **Health Plan Funded Services and Procurement (multiphase) (2)**

Evaluate the effectiveness of controls over-funded services and procurement.

## INVESTMENT OFFICE

### **Investment Trading Management Systems (finalize prior year)**

Evaluate the controls over the investment trading management systems for Fixed Income and Public Equities.

### **Expense Tracking (finalize prior year)**

Evaluate the effectiveness of controls over investment office expense tracking.

### **Trading Practices (finalize prior year)**

Evaluate the controls over investment trading practices and operations for Fixed Income and Public Equity.

### **Carried Interest**

Evaluate the effectiveness of controls over the validation and payment of carried interest to Private Equity external managers.

### **Divestments**

Evaluate the effectiveness of controls over divestment requirements due to law or policy.

### **Investment Office Policy Exceptions and Violations Reporting**

Evaluate the effectiveness of controls over identifying and reporting investment policy exceptions and violations.

### **Proxy Voting**

Evaluate the effectiveness of controls over proxy voting.

### **Real Assets Management Fees**

Evaluate the controls over the payment of management of fees to Real Assets external managers.

## OPERATIONS & TECHNOLOGY

### Enterprise Strategy & Performance Division

#### Strategic Planning

Evaluate the effectiveness of enterprise strategic planning function.

### Human Resources Division

#### PeopleSoft (PS) HCM User Access Management (finalize prior year)

Evaluate the effectiveness of controls over the user access management for PS HCM.

#### Overtime Practices

Evaluate the effectiveness of controls over the overtime practices.

#### Tax Withholding Practices

Evaluate the effectiveness of controls over changes in tax withholdings.

### Information Technology Services Branch

#### Business Intelligence (finalize prior year)

Evaluate the effectiveness of controls over the use of business intelligence.

#### Information Technology (IT) Governance (finalize prior year)

Evaluate the effectiveness of controls over the IT governance framework.

#### Remote Access (finalize prior year)

Evaluate the effectiveness of controls over the implementation of the telework policy.

#### Remote Access (multiphase)

Evaluate the effectiveness of controls over the implementation of the telework policy.

### Operations Support Services Division

#### Business Continuity Management (finalize prior year)

Evaluate the effectiveness of controls over the business continuity process.

#### Voyager Fuel Cards (finalize prior year)

Evaluate the effectiveness of controls over the administration of the Voyager Fuel Cards.

#### Board Election (consulting)

Serve as an independent observer during counting activities.

#### Business Continuity Management (multiphase)

Evaluate the effectiveness of controls over the business continuity process.

#### CalPERS Contracting Process

Evaluate the effectiveness of controls over the CalPERS contracting process.

## **MULTI-DIVISIONAL PROJECTS/AUDITS**

### **Accounts Receivable Practices**

Issue an overall opinion on CalPERS accounts receivable practices.

### **Risk Management**

Assess the integration of CalPERS strategic planning, risk, and compliance processes.

### **myCalPERS Accounts**

Evaluate the effectiveness of controls over the creation and management of member accounts.  
(Impacted Divisions: CSS/ITSB)

### **Consulting Engagements**

Perform consulting engagements based on CalPERS management requests.

### **Enterprise-wide Risk Assessment and Audit Planning**

Conduct risk assessment and prepare a risk-based audit plan for FY 2021-22.

### **Quarterly Status Report/Internal Finding Validation**

Monitor audit progress and resolution of outstanding audit results and prepare quarterly status reports to the Risk & Audit Committee.