

Office of Audit Services

Proposed Audit Plan for Fiscal Year 2017-18



June 2017

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FY 2017-18 Audit Plan by CalPERS Branch/Division/Activity*

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*Only the primary Division has been identified within the audit plan for each auditable activity; additional Divisions may be impacted.

Branch/Division/Activity	Audit/Activity
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Actuarial Office

Coordination of Parallel Actuarial Valuation and Certification Services	Coordinate activities related to contracted parallel valuation and certification services for the Judges Retirement System (JRS), JRS II, Legislators' Retirement System, and 1959 Survivors Benefit Program.
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Benefit Programs Policy and Planning

Health Plan Administration Division

Health Maintenance Organization (HMO) Contracts Program Oversight	Assess the adequacy and effectiveness of controls over HMO contracts program oversight process.
Health Plan Contracts (2)	Assess the health contractor's compliance with specific provisions of Public Employees' Medical and Hospital Care Act (PEMHCA) and its agreement with CalPERS.

Customer Services and Support

Public Agency Compliance Reviews	Assess the accuracy and completeness of various compliance areas that may include, but not limited to: compensation, payroll, membership enrollment, sick leave, contracts, working after retirement, and industrial disability retirement.
Public Agency Finding Validation	Monitor the resolution of outstanding public agency audit findings.

Benefit Services Division

Warrants	Assess the adequacy and effectiveness of controls over the death benefit payments.
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Member Account Management Division

Health Eligibility and Enrollment for Members (finalize prior year)	Evaluate the enrollment reconciliation process for health plan information to assess the accuracy of data.
Service Credit Costing and Elections	Assess the adequacy and effectiveness of controls over the service credit purchase process and compliance with relevant laws, regulations, and CalPERS policies and procedures.

Branch/Division/Activity	Audit/Activity
Financial Office	
Financial Reporting & Accounting Services	
Accounting Services	Assess the adequacy and effectiveness of controls over the health receivables.
Logical Access Controls	Evaluate the effectiveness of user access controls over PeopleSoft Financials.
Pension Contract Management Services and Prefunding Programs	
Pension Contract Management	Assess the adequacy and effectiveness of controls over pension contract management process.
Investment Office	
Fixed Income	Assess the adequacy and effectiveness of controls pertaining to Fixed Income trading operations.
Investment Compliance and Operation Risk (ICOR)	Assess the adequacy and effectiveness of the compliance review process.
Investment Portfolio Analytics	Assess the adequacy and effectiveness of investment performance monitoring and reporting process.
Logical Access Controls	Evaluate the effectiveness of user access controls over Private Equity Accounting and Reporting System (PEARS).
Private Equity External Manager	Evaluate the external manager's compliance with CalPERS investment policies and specific provisions of its agreement with CalPERS.
Private Equity External Manager (finalize prior year)	Evaluate the external manager's compliance with CalPERS investment policies and specific provisions of its agreement with CalPERS.
Specialty Investment Audits	Evaluate real assets external manager's compliance with CalPERS investment policies and specific provisions of its agreement with CalPERS using both external and internal audit resources.

Branch/Division/Activity	Audit/Activity
Office of Audit Services	
Multi-Divisional Projects/Audits	
Information Security Awareness	Evaluate the effectiveness of controls over information security awareness.
Logical Access Controls	Evaluate the effectiveness of user access controls related to mylCalPERS.
Physical Security and Environmental Controls	Assess the adequacy and effectiveness of physical security and environmental controls over the data center.
Review of Contract Management (finalize prior year)	Assess the adequacy and effectiveness of program's controls over the process of managing and monitoring contracts.
Consulting Engagements	Perform consulting engagements based on management's adhoc requests.
Coordination of Financial Statement Audits	Coordinate activities related to the audit of CalPERS Basic Financial Statements performed by the Board's Independent Auditor.
Enterprise-wide Risk Assessment and Audit Planning	Conduct and prepare a risk-based audit plan for Fiscal Year 2017-18.
Coordination of Government Accounting Standards Board (GASB) Statement No. 68/75 Audit	Coordinate activities related to GASB 68/75 audit.
Quarterly Status Reports	Monitor audit progress and resolution of outstanding audit issues and prepare quarterly status reports to the Risk and Audit Committee.
Internal Activities	
Quality Assurance and Improvement Program-Internal Assessment	Perform internal assessment of Office of Audit Services' (OFAS) Quality Assessment and Improvement Program pursuant to International Standards for the Professional Practice of Internal Auditing.

Branch/Division/Activity	Audit/Activity
Operations and Technology	
Human Resources Division	
Personnel Operations and Compensation	Assess the adequacy and effectiveness of controls over compliance with Family and Medical Leave Act.
Information Technology Services Branch	
Change Management (finalize prior year)	Assess the adequacy and effectiveness of controls over the change management process.
Member Self Service (consulting engagement)	Assess the adequacy and effectiveness of user access controls related to member self-services.
Network Security Management	Evaluate the effectiveness of network security management.
Software Development Life-Cycle (SDLC) (finalize prior year)	Assess the adequacy and effectiveness of controls over SDLC.
Operations Support Services Division	
Board Election (consulting)	Serve as an independent observer during counting activities.
Capital Asset Management	Assess the adequacy and effectiveness of controls over the building management budget and accounting processes.