

Audit Plan for Fiscal Year 2018-19



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

Audit Plan for Fiscal Year 2018-19

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 Survivor Benefit Program.

CUSTOMER SERVICES & SUPPORT

Public Agency Compliance Reviews

Evaluate the contracting agencies' compliance with applicable sections of the Public Employees' Retirement Law and prescribed reporting and enrollment procedures as they relate to the agencies' contracts with CalPERS.

Benefit Services Division

Benefit Adjustment Receivables

Evaluate the effectiveness of controls over benefit adjustment receivables.

Death Benefit Overpayment Receivables

Evaluate the effectiveness of controls over the death benefit overpayment receivables.

Legislators' Retirement System

Evaluate the effectiveness of controls over the Legislators' Retirement System.

Customer Service & Outreach Division

Regional Office

Evaluate the effectiveness of controls over the operations of the Regional Office.

Employer Account Management Division

my|CalPERS

Evaluate the effectiveness of controls over my|CalPERS participant record maintenance.

FINANCIAL OFFICE

Financial Reporting & Accounting Services

Administrative Revolving Fund

Evaluate the effectiveness of controls over the administrative revolving fund.

Cash and Payment Processing

Evaluate the effectiveness of controls over cash and payment processing.

Logical Access Controls (finalize prior year)

Evaluate the effectiveness of user access controls over PeopleSoft Financials.

Retroactive Health Receivables

Evaluate the effectiveness of controls over retroactive health receivables.

Pension Contract & Prefunding Programs

Pension Contract Management

Evaluate the effectiveness of controls over the pension contract management process for amending and terminating contracts and the monitoring of receivables.

HEALTH POLICY & BENEFITS

Health Account Management Division

Disabled Dependent Certification

Evaluate the effectiveness of controls over disabled dependents eligibility.

Medicare Administration

Evaluate the effectiveness of controls over Medicare health plan enrollments.

Retiree Dental Accounts

Evaluate the effectiveness of controls over retiree dental eligibility determinations and State and California State University annuitant dental accounts.

Safety Officer's Survivor Program

Evaluate the effectiveness of controls over the health benefit eligibility determination process for the Safety Officer's Survivor Program.

HEALTH POLICY & BENEFITS (CONTINUED)

Health Plan Administration Division

Appeals and Grievances (finalize prior year)

Evaluate the effectiveness of controls over the member health appeal and grievance process.

Health Plan Contracts (2)

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

Long-Term Care Third Party Administrator (finalize prior year)

Evaluate the Long-Term Care Third Party Administrator's compliance with specific provisions of its agreement with CalPERS.

INVESTMENT OFFICE

Asset Management Fees

Evaluate the effectiveness of controls over the payment of asset management fees to Private Equity external managers.

Coordination of Real Assets Reviews – Spring-Fed Pool

Coordinate activities to evaluate Real Assets external manager's compliance with CalPERS investment policies and specific provisions of its agreement with CalPERS.

Fixed Income – External Manager

Evaluate Fixed Income external manager's compliance with CalPERS investment policies and specific provisions of its agreement with CalPERS.

Fixed Income – Passively Managed Investments

Evaluate the effectiveness of controls over passively managed Fixed Income investments.

Global Equity – External Manager

Evaluate the Global Equity external manager's compliance with CalPERS investment policies and specific provisions of its agreement with CalPERS.

Investment Contract Management (finalize prior year)

Evaluate the effectiveness of controls over the process of managing and monitoring non-spring-fed pool contracts.

Placement Agent Disclosures

Evaluate the effectiveness of controls over the external manager's placement agent disclosures.

INVESTMENT OFFICE (CONTINUED)

Private Equity – External Manager (2)

Evaluate the Private Equity external manager's compliance with CalPERS investment policies and specific provisions of its agreement with CalPERS.

Real Assets – External Manager (2)

Evaluate Real Assets external manager's compliance with CalPERS investment policies and specific provisions of its agreement with CalPERS.

State Street Bank (finalize prior year)

Evaluate State Street Bank and Trust Company's (State Street) compliance with specific provisions of their agreement with CalPERS.

User Access Management – Charles River Information Management System (CRIMS)

Evaluate the effectiveness of user access controls over CRIMS.

User Access Management – State Street

Evaluate the effectiveness of user access controls over State Street.

Valuation of Real Assets Investments

Evaluate the effectiveness of controls over the valuation process of Real Assets Investments.

OPERATIONS & TECHNOLOGY

Human Resources Division

Payroll

Evaluate the effectiveness of controls over payroll.

Personnel Operations and Compensation (State Disability Insurance) (finalize prior year)

Evaluate the effectiveness of controls over State Disability Insurance.

Reasonable Accommodation

Evaluate the effectiveness of controls over the reasonable accommodation process.

Workers Compensation

Evaluate the effectiveness of controls over workers compensation.

OPERATIONS & TECHNOLOGY (CONTINUED)

Information Technology Services Branch

Cloud Services Management

Evaluate the effectiveness of controls over the management of cloud service providers.

Data Privacy

Evaluate third party contractor's compliance with CalPERS' information security policy.

Incidents and Problem Management

Evaluate the effectiveness of controls over the management of the incidents and problems lifecycle for the delivery of information technology related services.

Mobile Devices Management

Evaluate the effectiveness of controls over the management of CalPERS mobile devices.

Project Management

Evaluate the effectiveness of controls over the management of CalPERS information technology projects.

Service Desk Management

Evaluate the effectiveness of controls over the management of service desk requests.

User Access Management – Actuarial Valuation System (AVS)

Evaluate the effectiveness of user access controls over AVS.

Operations Support Services Division

Board Election (consulting)

Serve as an independent observer during counting activities.

Business Continuity Management

Evaluate the effectiveness of controls over the business continuity process.

Central Receiving (finalize prior year)

Evaluate the effectiveness of controls over the central receiving function.

Contract Management

Evaluate controls over contract compliance with applicable laws and regulations.

MULTI-DIVISIONAL PROJECTS/AUDITS

Consulting Engagements

Perform consulting engagements based on CalPERS management requests.

Contract Encumbrances

Evaluate the effectiveness of controls over the spring-fed-pool contracts' encumbrance process.

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 risk assessment and prepare a risk-based audit plan for Fiscal Year 2019-20.

Logical Access Controls (finalize prior year)

Evaluate the effectiveness of user access controls related to mylCalPERS.

Meeting Planners Account Cards

Evaluate the effectiveness of controls over the administration of Meeting Planners Account Cards.

Performance Compensation

Evaluate the controls over Investment staff incentive calculations.

Quarterly Status Reports

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

Retired Annuitants

Evaluate CalPERS retired annuitants' compliance with working after retirement laws.