

# Office of Audit Services Audit Plan

FY 2019-20

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

## ACTUARIAL OFFICE

### **User Access Management-Actuarial Valuation System (AVS) (finalize prior year)**

Evaluate the effectiveness of user access controls over AVS.

### **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.

### **Finding Validation**

Monitor the resolution of outstanding public agency audit findings.

## Disability & Survivor Benefits Division

### **Death Benefit Overpayment Receivables**

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

## Retirement Benefits Services Division

### **Benefit Adjustment Receivables (finalize prior year)**

Evaluate the effectiveness of controls over benefit adjustment receivables.

### **Retired Annuitants (finalize prior year)**

Evaluate the effectiveness of controls over retired annuitants' compliance with working after retirement laws.

### **Benefit Calculations**

Evaluate the effectiveness of controls over the benefit calculations.

## Member Account Management Division

### **Service Credit Purchase Costing and Elections**

Evaluate the effectiveness of controls over the Service Credit Purchase Costing and Elections process.

## COMMUNICATIONS & STAKEHOLDER RELATIONS

## Stakeholder Relations

### **Event Planning**

Evaluate the effectiveness of controls over the Stakeholder Relations event planning process.

## FINANCIAL OFFICE

### Financial Reporting & Accounting Services

#### **Cash and Payment Processing (finalize prior year)**

Evaluate the effectiveness of controls over cash and payment processing.

#### **E-80 Training Payments**

Evaluate the effectiveness controls over the E-80 training payment process.

#### **Expense Accounts**

Evaluate the effectiveness of controls over the usage of expense accounts.

#### **Special Service Request Process**

Evaluate the effectiveness of controls over the special service request process.

#### **Coordination of Financial Statement Audits**

Coordinate activities related to the audit of CalPERS Basic Financial Statements performed by the Board's Independent Auditor.

#### **Coordination of GASB Statement No. 68/75 Audits**

Coordinate activities related to the GASB Statement No. 68/75 audits performed by the Board's Independent Auditor.

### Pension Contract & Prefunding Programs

#### **Pension Contract Management (finalize prior year)**

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

## HEALTH POLICY & BENEFITS

### Health Account Management Division

#### **Safety Officer's Survivor Program (finalize prior year)**

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

#### **Health Benefits Public Agency Employer Billing**

Evaluate the effectiveness of controls over Health Benefits Public Agency employer billing process.

#### **Parent-Child Relationship Dependent Enrollment - Retirees**

Evaluate the effectiveness of controls over the dependent enrollment process for parent-child relationship.

## HEALTH POLICY & BENEFITS (CONTINUED)

### Health Plan Administration Division

**Health Plan Contract (finalize from prior year)**

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

**CalPERS Health Benefits Program Annual Report Process**

Evaluate the effectiveness of controls over the CalPERS Health Benefits Program Annual Report process.

**Contract Administration Oversight for Association Plans**

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

**Health Plan Contracts (2)**

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

## INVESTMENT OFFICE

**Performance Compensation (finalize prior year)**

Evaluate the controls over Investment staff incentive calculations.

**Private Equity - External Manager (finalize prior year)**

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

**Private Equity Asset Management Fees (finalize prior year)**

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

**Real Assets - External Manager (finalize prior year)**

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

**User Access Management – State Street (finalize prior year)**

Evaluate the effectiveness of user access controls over State Street.

**Collateral Management**

Evaluate the controls over collateral management.

**Investment Performance Reporting**

Evaluate the controls over the performance reporting of investment returns.

**Operational Due Diligence**

Evaluate the effectiveness of controls over operational due diligence of Investment Managers/Partners.

**Private Equity - External Manager**

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

## INVESTMENT OFFICE (CONTINUED)

### **Real Assets - External Manager**

Evaluate the effectiveness of controls over asset transfers between portfolios or investment managers.

### **Target Operating Model (TOM) Reports**

Evaluate the effectiveness of controls over TOM reports.

### **Spring – Fed Pool Contract Management**

Evaluate real assets external manager's compliance with CalPERS investment policies and its agreement with CalPERS using both external and internal audit resources.

## OPERATIONS & TECHNOLOGY

### Human Resources Division

#### **Paid Family Leave (finalize prior year)**

Evaluate the effectiveness of controls over Paid Family Leave benefits for eligible CalPERS employees.

#### **Payroll (finalize prior year)**

Evaluate the effectiveness of controls over payroll.

#### **Parent-Child Relationship Dependent Enrollment – CalPERS Employees**

Evaluate the effectiveness of controls over dependent enrollment process for parent-child relationship.

#### **Salary Advances**

Evaluate the effectiveness of controls over the salary advance process.

### Information Technology Services Branch

#### **Data Privacy (finalize prior year)**

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

#### **Mobile Devices Management (finalize prior year)**

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

#### **Patch Management**

Evaluate the effectiveness of controls over the patch management process.

#### **Information Technology (IT) Asset Management (Hardware)**

Evaluate the effectiveness of controls over the inventory of IT assets.

### Operations Support Services Division

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

Evaluate the effectiveness of controls over the business continuity process.

## **OPERATIONS & TECHNOLOGY (CONTINUED)**

### **Operations Support Services Division (continued)**

#### **Department of General Services Blue Card (finalize prior year)**

Evaluate the effectiveness of controls over the administration of the Department of General Services Blue Cards.

#### **Board Election (consulting)**

Serve as an independent observer during counting activities.

#### **CalCards**

Evaluate the effectiveness of controls over the administration of the CalCards.

#### **Contract Management**

Evaluate the effectiveness of controls over the contract administration process for Letters of Engagement.

#### **Non-Disclosure Agreement**

Evaluate the effectiveness of controls over the Non-Disclosure Agreement process.

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

#### **Consulting Engagements**

Perform consulting engagements based on CalPERS management requests.

