



Gavin Newsom ■ Governor

915 L Street ■ Sacramento CA ■ 95814-3706 ■ www.dof.ca.gov

Transmitted via e-mail

December 17, 2021

Marcie Frost, Chief Executive Officer  
California Public Employees' Retirement System  
Lincoln Plaza North  
400 Q Street  
Sacramento, CA 95811

**Final Letter—California Public Employees' Retirement System Quality Assurance Review**

The California Department of Finance, Office of State Audits and Evaluations, has completed its quality assurance review of the California Public Employees' Retirement System, Office of Audit Services (OFAS), for the period July 1, 2016 through June 30, 2021.

The enclosed opinion letter is for your information and use. Because there were no observations requiring a response, we are issuing the letter as final.

We appreciate the assistance and cooperation of OFAS. If you have any questions regarding this letter, please contact Mary Camacho, Manager, or Hanzhao Meng, Supervisor, at (916) 322-2985.

Sincerely,

Rebecca G. McAllister, CPA  
Assistant Chief, Office of State Audits and Evaluations

Enclosure

cc: Matthew G. Jacobs, General Counsel, California Public Employees'  
Retirement System  
Beliz Chappuie, Chief, Office of Audit Services, California Public Employees'  
Retirement System  
Julie Munekawa, Assistant Chief, Office of Audit Services, California Public  
Employees' Retirement System  
Cindie Lor, Assistant Chief, Office of Audit Services, California Public Employees'  
Retirement System



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We have completed a quality assurance review of the California Public Employees' Retirement System, Office of Audit Services (OFAS), for the period July 1, 2016 through June 30, 2021.

We reviewed the OFAS's internal quality control system and conducted tests to determine whether the internal quality control system operated effectively to provide reasonable assurance of conformance with the *International Standards for the Professional Practice of Internal Auditing* (ISPPA), issued by the Institute of Internal Auditors (IIA) as part of its *Professional Practice Framework*.

Due to variances in individual performance and judgment, conformance does not imply adherence to standards in every case, but does imply adherence in most situations.

Based on the results of our review, it is our opinion that the OFAS's internal quality control system was suitably designed and operating effectively to provide reasonable assurance of conformance with the ISPPA for assurance and consulting engagements during the period July 1, 2016 through June 30, 2021.

Additionally, during our review, we observed the following successful practices and noteworthy accomplishments, where the OFAS:

- Used risk-based planning for developing the annual audit plan and preparing each engagement's audit program.
- Developed and implemented a Quality Assurance and Improvement Program that includes performing periodic internal quality assessments and completing external assessments every five years to comply with IIA standards and enhance audit quality.
- Developed and maintained a comprehensive OFAS Audit Manual.
- Established and maintained an approved OFAS Audit Charter.

Sincerely,

A handwritten signature in blue ink that reads "Rebecca G. McAllister". The signature is written in a cursive, flowing style.

Rebecca G. McAllister, CPA  
Assistant Chief, Office of State Audits and Evaluations