



**Alameda County Employees' Retirement Association
BOARD OF RETIREMENT**

**AUDIT COMMITTEE/BOARD MEETING
NOTICE and AGENDA**

THIS MEETING WILL BE CONDUCTED VIA TELECONFERENCE PER GOV'T CODE § 54953(e)

ACERA MISSION:

To provide ACERA members and employers with flexible, cost-effective, participant-oriented benefits through prudent investment management and superior member services.

Thursday, February 17, 2022
12:30 p.m.

| ZOOM INSTRUCTIONS | COMMITTEE MEMBERS | |
|--|------------------------------------|-------------------|
| The public can view the Teleconference and comment via audio during the meeting. To join this Teleconference, please click on the link below. https://zoom.us/join Webinar ID: 879 6337 8479 Passcode: 699406 For help joining a Zoom meeting, see: https://support.zoom.us/hc/en-us/articles/201362193 Call-in Number: 1 669 900 6833 | HENRY LEVY, CHAIR | EX-OFFICIO |
| | LIZ KOPPENHAVER, VICE-CHAIR | ELECTED |
| | DALE AMARAL | ELECTED |
| | KEITH CARSON | APPOINTED |
| | TARRELL GAMBLE | APPOINTED |

This is a meeting of the Audit Committee if a quorum of the Audit Committee attends, and it is a meeting of the Board if a quorum of the Board attends. This is a joint meeting of the Audit Committee and the Board if a quorum of each attends.

The order of agenda items is subject to change without notice. Board and Committee agendas and minutes, and all documents distributed to the Board or a Committee in connection with a public meeting (unless exempt from disclosure), are available online at www.acera.org.

Note regarding public comments: Public comments are limited to four (4) minutes per person in total.

Note regarding accommodations: The Board of Retirement will provide reasonable accommodations for persons with special needs of accessibility who plan to attend Board meetings. Please contact ACERA at (510) 628-3000 to arrange for accommodation.

AUDIT COMMITTEE/BOARD MEETING

NOTICE and AGENDA, Page 2 of 2 - Thursday, February 17, 2022

Call to Order: 12:30 p.m.

Roll Call:

Public Comment (Time Limit: 4 minutes per speaker):

Action Items: Matters for Discussion and Possible Motion by the Committee

External Audit:

1. **Presentation, discussion, and possible motion to approve the external audit scope of work and timeline of services for the Financial Statements ended December 31, 2021, performed by Williams, Adley & Company-CA, LLP**

- Audrey Elbert, Partner
- Kenneth Yu, Sr. Manager
Williams, Adley & Company-CA, LLP
- Dave Nelsen

Recommendation:

The Audit Committee recommends to the Board of Retirement that the Board approve the external audit scope of work and timeline of services for the Financial Statements ended December 31, 2021, to be performed by Williams, Adley & Company-CA, LLP.

Information Items: These items are not presented for Committee action but consist of status updates and cyclical reports

External Audit

1. **2022 Audit Committee Work Plan (Proposed)** - Dave Nelsen

Internal Audit

1. **Review of Annual Risk Assessment** - Harsh Jadhav
2. **Presentation of the 2022 Internal Audit Plan (Proposed)** - Harsh Jadhav

Trustee Comment:

Future Discussion Items:

Establishment of Next Meeting Date:

April 21, 2022, at 12:30 pm



MEMORANDUM TO THE AUDIT COMMITTEE

DATE: February 17, 2022

TO: Members of the Audit Committee

FROM: Erica Haywood, Fiscal Services Officer *EH*

SUBJECT: **Williams, Adley & Co. LLP., 2021 Financial Statement External Audit**

The Fiscal Services Department has reviewed the 2022 external audit scope of work and timeline of services to be performed by Williams, Adley, & Co. LLP, ACERA is prepared to commence with its annual financial statement audit for year ended December 31, 2021. The allotted time frame of the audit field work is approximately 60 days, ending approximately the third week in April 2022.

Throughout the audit period, bi-weekly status meetings with the Fiscal Services Department will be conducted. Likewise, status meetings with Senior Managers will also be scheduled on an as needed basis. The Fiscal Services Officer will oversee the audit process and is responsible for ensuring the completeness and accuracy of all financial information provided to Williams, Adley, & Co. LLP.

Recommendation

Staff recommends that the Audit Committee recommend to the Board of Retirement that the Board approve the 2021 Financial Statement External Audit Scope of Work and Timeline of Services to be performed by Williams, Adley & Co. LLP.



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Audit Planning Communication for the Year Ended
December 31, 2021



Confidence Earned

Agenda

- ▶ Engagement Team
- ▶ Auditor Responsibilities
- ▶ Management Responsibilities
- ▶ Audit Committee Responsibilities
- ▶ Our Risk-Based Audit Approach
- ▶ Areas of Significant Focus
- ▶ Other Areas of Audit Emphasis
- ▶ Timeline
- ▶ Key Changes to the Auditor's Report
- ▶ New GASB Reporting Standards

Engagement Team

- ▶ Audrey F. Elbert, CPA, Engagement Partner
 - ▶ Has overall responsibility for the engagement, including service levels and adherence to timelines. Responsible for the engagement, including the content of reports and compliance with firm and professional standards.
- ▶ Kenneth Yu, CPA, Senior Manager
 - ▶ Primarily responsible for the achievement of engagement objectives and quality control of the audit procedures performed and the reports issued.
- ▶ Margaret (Peggy) Rasch, CPA and CFE, In-charge
 - ▶ Will be the primary contact for the day-to-day audit procedures. She will serve as the primary liaison between ACERA staff and WACO staff and have responsibility for achieving the daily audit objectives.
- ▶ Robert Griffin, CPA, Technical Review Partner
 - ▶ Primary responsibility is to provide an independent view of the engagement team's judgments related to auditing and technical accounting matters. He will also provide consultation on technical issues and serve as a liaison to GASB, AICPA, and other authoritative sources.

Auditor Responsibilities

- ▶ Our responsibility under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards* is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. GAAP. Provide an in-relation to opinion on the other supplementary information.
- ▶ Issue report on internal controls and compliance (no opinion) based on results of tests of compliance with certain provisions of laws, regulations, contracts and grants.
- ▶ Perform an audit of the GASB 68 & GASB 75 schedules in accordance with GAAS.
- ▶ Express opinions on whether the GASB 68 & GASB 75 schedules are fairly presented in conformity with U.S. GAAP.
- ▶ Communicate significant matters related to the audits.

Management Responsibilities

- ▶ Prepare and present financial statements and supplementary information in conformity with U.S. GAAP.
- ▶ Establish and maintain effective internal controls.
- ▶ Implement systems designed to achieve compliance with applicable laws, regulations, and contracts.
- ▶ Select and apply appropriate accounting principles.
- ▶ Comply with applicable laws and regulations and the provisions of contracts.
- ▶ Design and implement programs and controls to prevent and detect fraud, and inform us about all known or suspected fraud.
- ▶ Provide written representations.

Audit Committee Responsibilities

- ▶ Meet periodically with the auditors to discuss various topics, including risks, concerns about internal controls, significant communications with regulators, and audit progress.
- ▶ Resolve conflicts between auditors and management, if necessary.
- ▶ Review auditor's findings and recommendations and evaluate management's response.

Our Risk-Based Audit Approach

- ▶ Audit planning is a continuous process. We use our most experienced team members to perform risk assessment procedures.
- ▶ External and internal risks are identified based on interviews, review of documentation (minutes, policies and procedures, IAD reports, etc.), results of internal control walkthroughs and testing, and institutional knowledge.
- ▶ We consider the effects of current risk factors on ACERA and emphasis is also placed on those areas requiring subjective judgment by management.
- ▶ Our approach to the internal control environment is to update our understanding of key controls annually, and perform testing on a rotational basis over a three year cycle.
- ▶ Our audit procedures emphasize testing areas with the highest risk of material misstatement, i.e., those accounts or transactions where we believe there is the greatest risk of material misstatement to the financial statements, whether due to error or fraud.
- ▶ Our reporting objective focuses on the fairness of presentation of the financial statements and schedules and the clarity and accuracy of related disclosures.

Areas of Significant Focus

| Additions (Revenue) | Management Override of Controls | Investments |
|--|---|---|
| <p><u>Risks</u></p> <ul style="list-style-type: none"> ▪ Contributions are misstated. ▪ Investment income, including appreciation, is misstated. | <p><u>Risks</u></p> <ul style="list-style-type: none"> ▪ Financial statements could be materially misstated. ▪ Misappropriation of assets. | <p><u>Risks</u></p> <ul style="list-style-type: none"> ▪ Misstatement of account balances. ▪ Valuations not reported using proper methodology. ▪ Transactions reported in incorrect period. ▪ Assets not held in ACERA's name. |
| <p><u>Audit Response</u></p> <ul style="list-style-type: none"> ▪ Confirm with employers the amount of contributions and related receivables. ▪ Confirm investment valuation and perform analytical procedures. | <p><u>Audit Response</u></p> <ul style="list-style-type: none"> ▪ Evaluate and update our understanding of controls over the financial reporting process. ▪ Select a sample of transactions and test to see if controls are operating effectively. | <p><u>Audit Response</u></p> <ul style="list-style-type: none"> ▪ Independent confirmation and reconciliation testing. ▪ Review of third party valuations and market quotes. |

Other Areas of Audit Emphasis

- ▶ In addition to significant areas identified previously, we have identified areas below as areas of focus during the audit due to materiality of the balance and/or complexity/judgment involved in the accounting.
 - ▶ Participant data and actuarial information
 - ▶ Benefit payments
 - ▶ Reserves
 - ▶ Cash activity
 - ▶ Actuarial assumptions and calculations
 - ▶ Financial reporting
 - ▶ COVID-19 considerations

Timeline

- ▶ Planning and client assistance - January / February 2022
- ▶ Fieldwork - Mid February - April 2022
- ▶ Presentation of Audit Results to Audit Committee - May 2022
- ▶ Reporting Deadlines
 - ▶ State Controller's Report - June 30, 2022
 - ▶ ACFR to GFOA - June 30, 2022
- ▶ GASB 68 & 75 reports - June 2022

Key Changes to the Auditor's Report

- ▶ The *Opinion* has moved to the beginning of the report.
- ▶ The *Basis* for the opinion was moved to follow the opinion. Included is a new statement regarding the auditor's independence and other ethical responsibilities.
- ▶ *Responsibilities of Management* now specifically mentions the auditee's responsibility to evaluate whether there are conditions or events that raise substantial doubt about its ability to continue as a going concern.
- ▶ The *Auditor's Responsibilities* are presented in a different format and outline certain responsibilities not previously mentioned in the auditor's report.
 - ▶ An explanation that our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions.

Key Changes to the Auditor's Report

- ▶ *Auditor's Responsibilities* (continued)
 - ▶ Reasonable assurance is defined a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.
 - ▶ The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - ▶ Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Key Changes to the Auditor's Report

- ▶ *Auditor's Responsibilities* (continued)
 - ▶ A statement that we exercise professional judgment and maintain professional skepticism throughout the audit.
 - ▶ A conclusion about ACERA's ability to continue as a going concern for a reasonable period of time.
 - ▶ A statement regarding required communications to those charged with governance.
- ▶ *Key Audit Matters* is a new optional section.

New GASB Reporting Standards

- ▶ Statement No. 98 - *The Annual Comprehensive Financial Report*
 - ▶ The objective of this Statement is to address references in authoritative literature to the term comprehensive annual financial report.
 - ▶ This Statement replaces an existing term but does not otherwise establish new accounting and financial reporting requirements.



MEMORANDUM TO THE AUDIT COMMITTEE

DATE: February 17, 2022
TO: Members of the Audit Committee
FROM: Erica Haywood, Fiscal Services Officer *EH*
SUBJECT: **Proposed 2022 Audit Committee Work Plan**

The proposed 2022 Audit Committee Work Plan is attached for your consideration and review. The main action and topical discussion items for 2022 are listed below for quick reference:

- February 17, 2022
 - Williams, Adley & Co. LLP. will present the external audit scope of work and timeline.,
- April 21, 2022
 - Presentation and discussion of the Government Accounting Standards Board (GASB) Statement No. 67 and No. 74 Valuations and addendums as of December 31, 2021 (Segal); and,
- May 19, 2022
 - External auditor's report and presentation of the December 31, 2021 audited financial statements;
 - Recommend adoption of the GASB Statement No. 67 and No. 74 Valuations and addendums as of December 31, 2021; and
- June 16, 2022:
 - Adoption of the audited Schedules of Employer Allocations and Schedules of Pension and OPEB Amounts by Employer; and
 - Presentation of the GASB Statement No. 68 and No. 75 Valuations and Employer Schedules as of December 31, 2021.

Throughout the year, ACERA's Chief Internal Auditor will review the progress of the internal audit plan, present new internal audit initiatives, and review completed audits. As the need arises, agenda items may be changed or added to the work plan during the year.



2022 Audit Committee Work Plan (Proposed)

| Action Items | Information Items | Staff Items |
|---|--|---|
| <p>Feb 17 – 12:30 PM (3rd Thurs, same day as Board Meeting)</p> | <p>External Audit</p> <ul style="list-style-type: none"> • Presentation, discussion, and possible motion to approve the external audit scope of work and timeline of services for the Financial Statements ended December 31, 2021, performed by the external audit firm <p>Internal Audit</p> <ul style="list-style-type: none"> • None | <p>External Audit</p> <ul style="list-style-type: none"> • Audit Committee Work Plan (Proposed) <p>Internal Audit</p> <ul style="list-style-type: none"> • Review of Annual Risk Assessment • Presentation of the 2022 Internal Audit Plan |
| <p>Apr 21 – 12:30 PM (3rd Thurs, same day as Board Meeting)</p> | <p>External Audit</p> <ul style="list-style-type: none"> • None <p>Internal Audit</p> <ul style="list-style-type: none"> • None | <p>External Audit</p> <ul style="list-style-type: none"> • Presentation and discussion of the GASB Statement No. 67 Valuation and addendum as of December 31, 2021 (Segal) • Presentation and discussion of the GASB Statement No. 74 Valuation and addendum as of December 31, 2021 (Segal) <p>Internal Audit</p> <ul style="list-style-type: none"> • Progress report on the Internal Audit Plan • Review complete audits |

Note: This work plan is subject to change without prior notice. Periodic rearrangements of agenda items will be made to the work plan to provide a reasonable length of time for each meeting.



2022 Audit Committee Work Plan (Proposed)

| | Action Items | Information Items | Staff Items |
|--|--|---|-------------|
| <p>May 19 – 12:30 PM <i>(3rd Thurs, same day as Board Meeting)</i></p> | <p><i>External Audit</i></p> <ul style="list-style-type: none"> • Discussion and possible motion to recommend that the Board of Retirement accept and file the December 31, 2021 Audited Financial Statements and Independent Auditor’s Report • Discussion and possible motion to recommend that the Board of Retirement adopt of the Government Accounting Standards Board (GASB) Statement No. 67 Actuarial Valuation and addendum as of December 31, 2021 • Discussion and possible motion to recommend that the Board of Retirement adopt the Government Accounting Standards Board (GASB) Statement No. 74 Actuarial Valuation and addendum as of December 31, 2021 <p><i>Internal Audit</i></p> <ul style="list-style-type: none"> • None | <p><i>External Audit</i></p> <p><i>Internal Audit</i></p> <ul style="list-style-type: none"> • Progress Report on the Internal Audit Plan • Review completed audits | |

Note: This work plan is subject to change without prior notice. Periodic rearrangements of agenda items will be made to the work plan to provide a reasonable length of time for each meeting.



2022 Audit Committee Work Plan (Proposed)

| Action Items | Information Items | Staff Items |
|---|--|--|
| <p>Jun 16 – 12:30 PM (3rd Thurs, same day as Board Meeting)</p> | <p><i>External Audit</i></p> <ul style="list-style-type: none"> Review and possible motion to adopt the audited Schedule of Employer Allocations (Pension and OPEB) and the audited Schedule of Pension and OPEB Amounts by Employer based on addenda to the Governmental Accounting Standards Board (GASB) Statement No. 67 and Statement No. 74, valuations as of December 31, 2021 <p><i>Internal Audit</i></p> <ul style="list-style-type: none"> None | <p><i>External Audit</i></p> <ul style="list-style-type: none"> Presentation and discussion of GASB Statement No. 68 and GASB Statement No. 75 Valuations and Employer Schedules as of December 31, 2021 <p><i>Internal Audit</i></p> <ul style="list-style-type: none"> Progress Report on the Internal Audit Plan Review completed audits |
| <p>Oct 20 - 12:30 PM (3rd Thurs, same day as Board Meeting)</p> | <p><i>External Audit</i></p> <ul style="list-style-type: none"> None <p><i>Internal Audit</i></p> <ul style="list-style-type: none"> None | <p><i>External Audit</i></p> <p><i>Internal Audit</i></p> <ul style="list-style-type: none"> Progress Report on the Internal Audit Plan Review completed audits |

Note: This work plan is subject to change without prior notice. Periodic rearrangements of agenda items will be made to the work plan to provide a reasonable length of time for each meeting.



MEMORANDUM TO THE AUDIT COMMITTEE

DATE: February 17, 2022

TO: Members of the Audit Committee

FROM: Harsh Jadhav, Chief of Internal Audit

SUBJECT: The Proposed 2022 Internal Audit Program

Executive Summary

The Audit Committee meeting in February 2022 will feature the proposed 2022 Internal Audit Program, a discussion on the risk assessment process, and the first in a series of trustee financial education segments provided by Trustee Levy. The first segment will be a brief overview of the Annual Comprehensive Financial Report and how it can be used to gather business intelligence.

The annual risk assessment is complete. The Internal Audit Department has reassessed the internal controls and risks identified by management to determine how changes in business processes, laws, pension practices, and the organizational structure have affected the risk ranking for 2022. Based on the risk assessment results, the Internal Audit Department plans to conduct three internal audits, one policy audit, four special projects, and provide staff with fraud training.

This year's key objectives include:

- Assisting management in reviewing internal controls related to key workflows used in the upgraded pension administration system.
- Ensuring member data is safe and accurate through a series of overpayment audits and a member identity theft audit.
- Initiating a project to review internal controls as ACERA transitions to a new commercial bank.
- Starting a new phase of participating employer audits, with the focus this year on felony forfeiture reporting.

The Internal Audit Department will also continue to work closely with PRISM to conduct a Cybersecurity and Data Security Self-Assessment. Performing a self-assessment of the incident response procedures, security management process, IT infrastructure, and cybersecurity training allows the agency to uncover gaps, potential weaknesses, and threats that could undermine the security of sensitive information. Furthermore, it is a vital readiness step to ensure the infrastructure and IT environment supports the upgraded pension system.

Internal Audit staff continues to promote fraud awareness through annual fraud training for staff and serve as resources for strengthening organization-wide internal controls. This year, we are excited to be joined by members of our Benefits staff, who will provide fraud training specific to protecting member data (i.e., social security numbers).

2022 Audit Schedule

| Internal Audit Plan (2022) | Service Line | Assigned | Status | Q1 | Q2 | Q3 | Q4 |
|---|---------------------|-----------------|---------------|-----------|-----------|-----------|-----------|
| Felony Forfeiture Policy Audit | Policy Audit | Caxton | In Progress | | | | |
| Prevent Member Identity Theft Audit | Internal Audit | Lyndon | In Progress | | | | |
| System-Wide Benefit Calculations Audit | Internal Audit | Lyndon/Caxton | Not Started | | | | |
| Workforce Resilience Audit | Internal Audit | Harsh | Not Started | | | | |
| Workers Compensation Contributions and Service Credit Project | Special Project | Caxton | In Progress | | | | |
| Commercial Bank Internal Controls Project | Special Project | Lyndon | Not Started | | | | |
| Pension Administration System Internal Controls Project | Special Project | Lyndon/Caxton | In Progress | | | | |
| Cybersecurity and Data Security Self-Assessment Project | Special Project | Vijay/Harsh | In Progress | | | | |
| 2022 Annual Risk Assessment | Administration | Harsh | Completed | | | | |
| 2023 Annual Risk Assessment | Administration | Harsh | Not Started | | | | |
| Fraud Hotline Management | Administration | Lyndon | Continuous | | | | |
| Fraud Training | Administration | Lyndon/Caxton | Not Started | | | | |

2022 Audit Program

Policy Audits

Felony Forfeiture Policy Audit

The purpose of the audit is to review compliance with the ACERA Felony Forfeiture Policy. This policy provides guidance on how participating employers handle felony forfeitures of retirement benefits. The Public Employees' Pension Reform Act of 2013 ("PEPRA") added two forfeiture statutes applicable to public employees convicted of felonies on or after January 1, 2013. The audit also examines participating employer compliance by selecting employers to determine if the employer implemented effective procedures to report felony forfeitures to ACERA.

Internal Audits

Prevent Member Identity Theft Audit

This audit aims to strengthen internal fraud controls to prevent third parties from making unauthorized changes to member accounts and banking information. The examination will review the business process and explore technology solutions to enhance identity management controls.

System-Wide Benefit Calculations Audit

The purpose of the audit is to sample active, deferred, and retired members to ensure internal controls preventing overpayments are in place and operating effectively. Our approach will be to perform several small sample size audits to review several types of benefit calculations for accuracy and completeness. With smaller data sets, we can quickly uncover potential systemic issues and recommend a remediation strategy. In addition, we will continue to examine if the final pensionable salary calculation for retired members is accurate.

Workforce Resilience Audit

The purpose of this review is to determine if ACERA has trained staff, backup personnel, and documented procedures for their critical processes. As the pandemic continues, part of prudent business continuity planning requires organizations to ensure essential staff are identified, critical processes are fully documented and updated regularly, and backup personnel has been trained and assessed periodically.

Special Projects

Workers Compensation Contributions and Service Credit Project

Staff requested a review of ACERA's process for collecting member and employer contributions on Worker's Compensation Pay.

Commercial Bank Internal Controls Project

The Fiscal Services Department has asked Internal Audit to provide advisory services and test internal controls for segregation of duties, as ACERA transitions to a new commercial bank to manage a suite of services, including retirement payroll, expense administration, and vendor payments.

Pension Administration System Internal Controls Project

The objective of this special project will be for the Internal Audit Department to support the business with technical guidance on risk and internal controls as the leadership plans to roll out the Pension Gold (Version 3) to the organization.

Cybersecurity and Data Security Self-Assessment Project

The objective of this special project will be to work with the PRISM Department to determine if adequate firewalls, access controls, employee training, and processes for incident response, business recovery, and threat analysis are in place to ensure sensitive organizational data and member data is protected and secure.

Summary

We are working through the COVID-19 challenges and are focused on meeting the 2022 Audit Program objectives. This year the program includes four audits and four special projects. I want to acknowledge my staff for their strong effort and dedication to delivering quality work. The Internal Audit Staff will continue to do an excellent job partnering with management, servicing the Board of Retirement, and protecting our members.

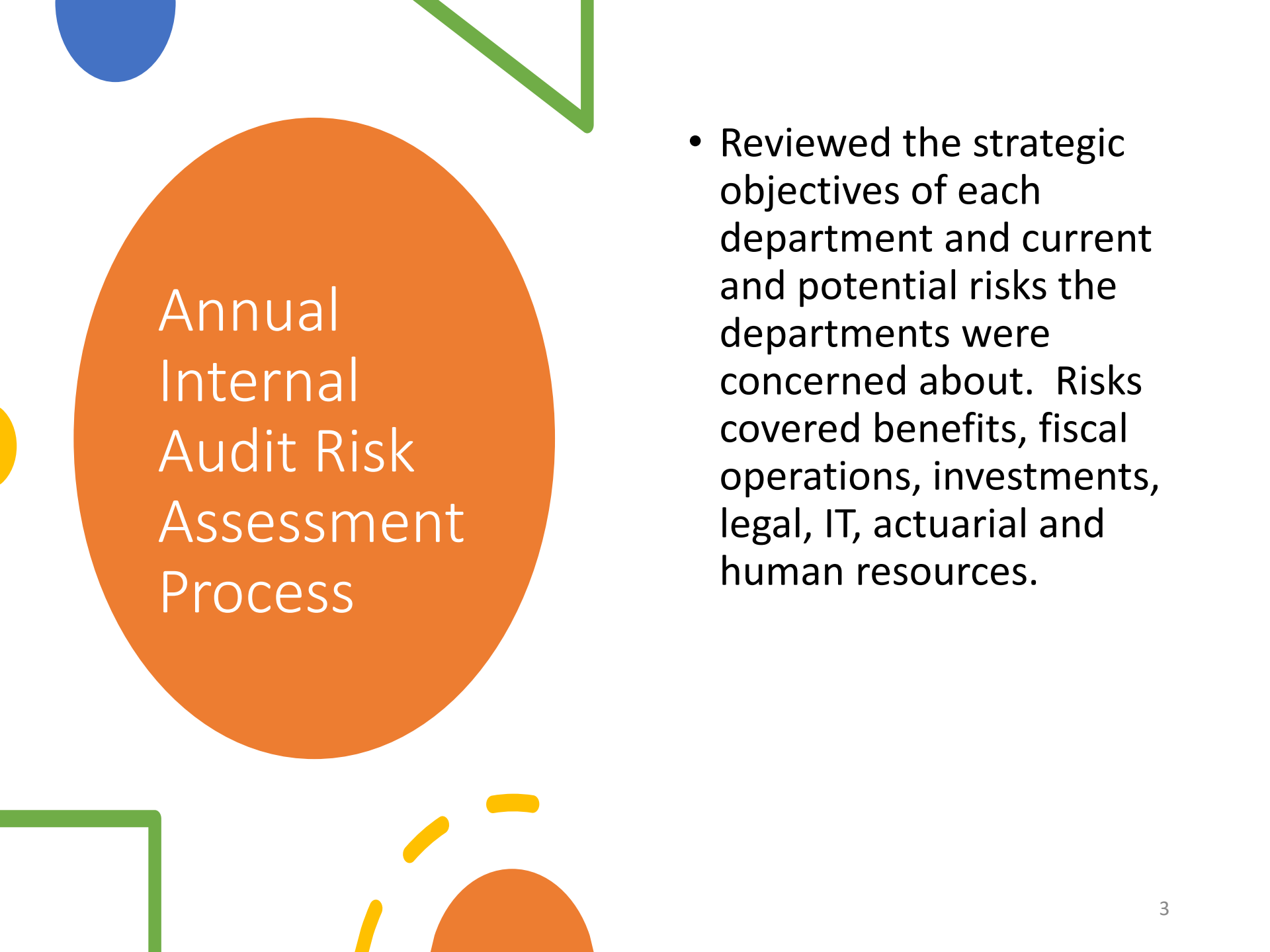
Internal Audit Department 2022 Internal Audit Plan

February 17, 2022



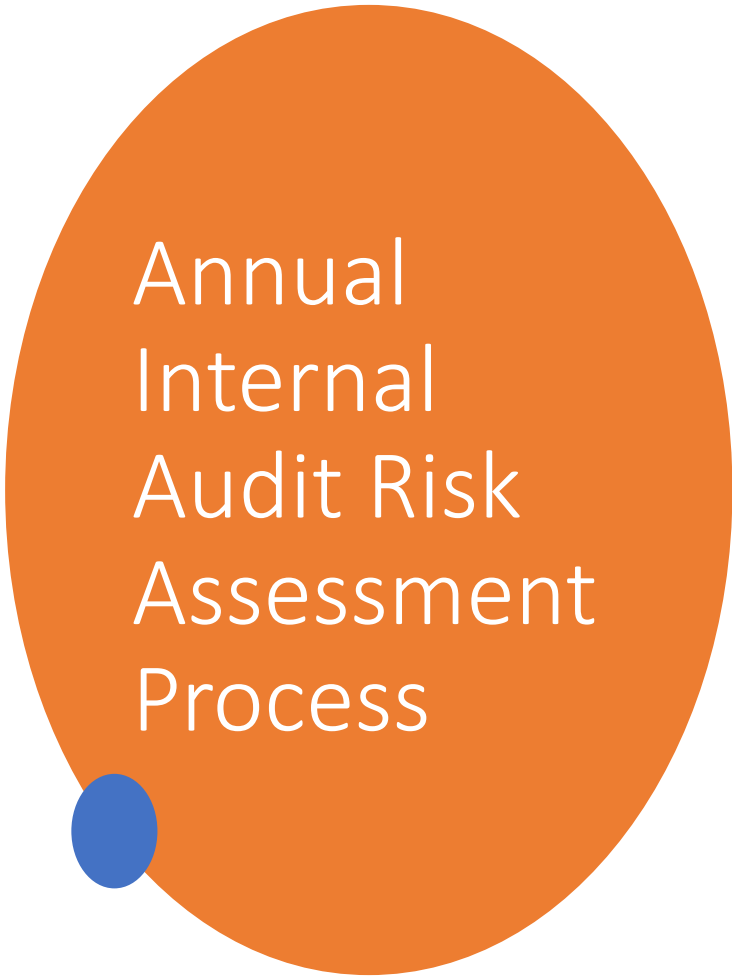
AGENDA

1. Annual Risk Assessment Process
2. Proposed Internal Audit Plan – 2022
3. Trustee Education



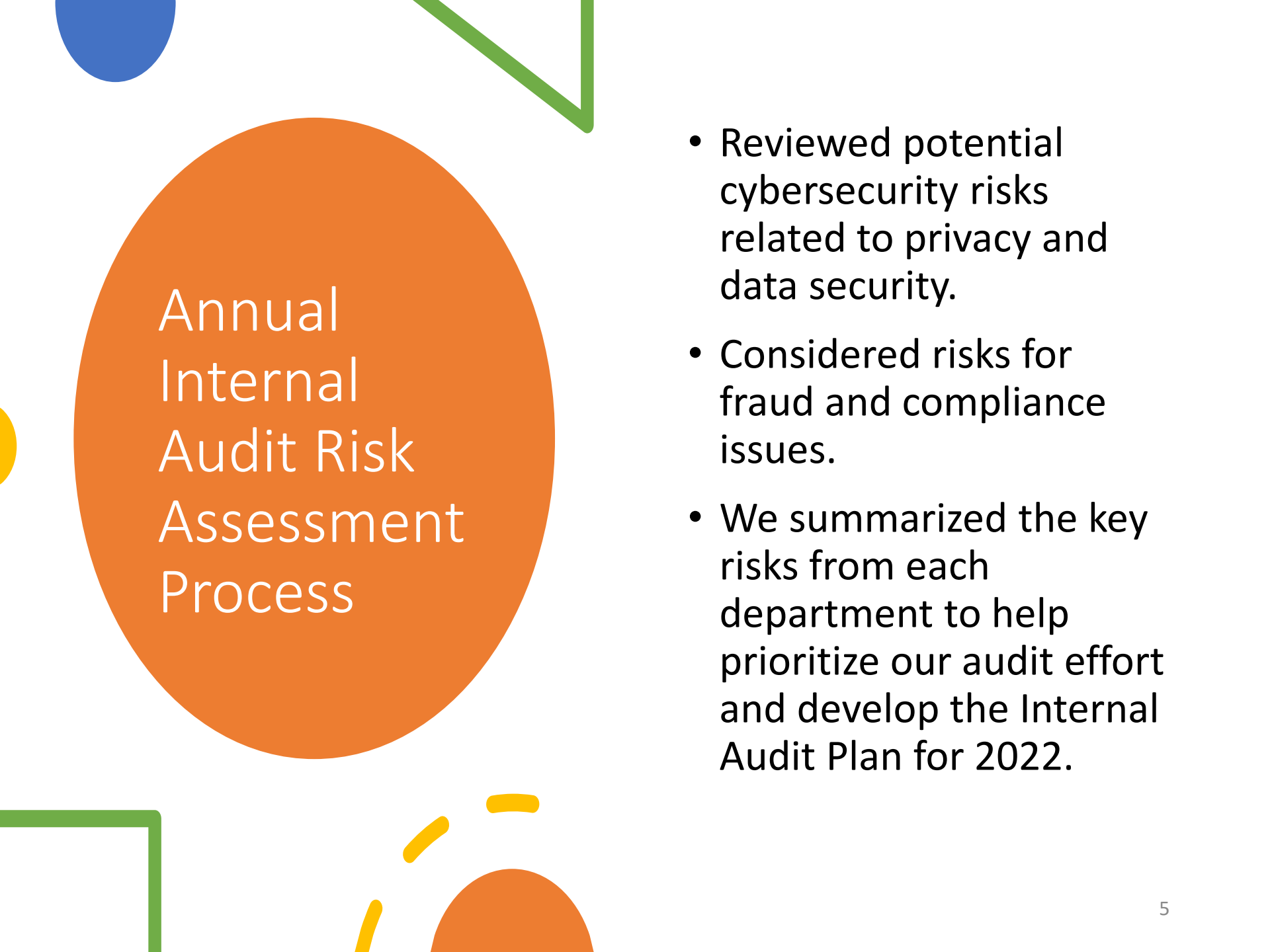
Annual Internal Audit Risk Assessment Process

- Reviewed the strategic objectives of each department and current and potential risks the departments were concerned about. Risks covered benefits, fiscal operations, investments, legal, IT, actuarial and human resources.



Annual Internal Audit Risk Assessment Process

- Discussed potential control weaknesses, new business processes introduced in the current year, staffing changes, and new legislative mandates which may impact the current business.



Annual Internal Audit Risk Assessment Process

- Reviewed potential cybersecurity risks related to privacy and data security.
- Considered risks for fraud and compliance issues.
- We summarized the key risks from each department to help prioritize our audit effort and develop the Internal Audit Plan for 2022.

Identified Risks

- Employee Turnover and Key Personnel Replacement
- Policies (Return From Work; Felony Forfeiture)
- Transition to New Financial Bank

Operations

- Project Risk – PAS, ONBASE
- Cybersecurity
- Business Continuity Planning

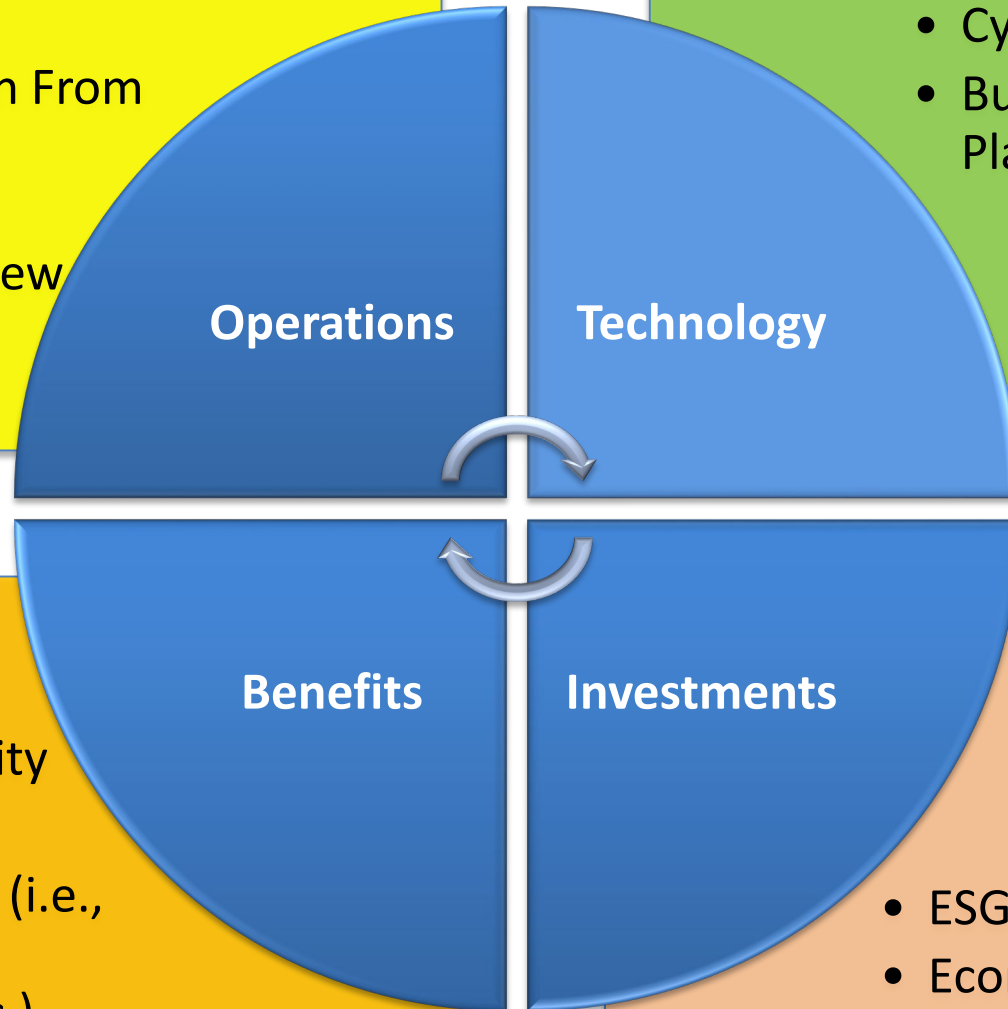
Technology

- Member Identity
- Theft
- Overpayments (i.e., death, active, retirement, etc.)

Benefits

- ESG
- Economy

Investments



Proposed 2022 Internal Audit Plan

| Internal Audit Plan (2022) | Service Line | Assigned | Status | Q1 | Q2 | Q3 | Q4 |
|---|-----------------|---------------|-------------|----|----|----|----|
| Felony Forfeiture Policy Audit | Policy Audit | Caxton | In Progress | | | | |
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| Fraud Training | Administration | Lyndon/Caxton | Not Started | | | | |

Trustee Education

Overview of the Annual Comprehensive Financial Report

For the Year Ended
December 31, 2020

Comprehensive Annual
Financial Report



**Resilient
Together**

Publications

- Blank Agreement and Order for Division of Retirement Benefits – Shared Records (All Members May Use)
- Blank Agreement and Order for Division of Retirement Benefits – Separate Records (Not For Use By Retired Members)

Dissolution and Legal Separation Memo

Financial Reports

- Comprehensive Annual Financial Report
- Popular Annual Financial Report
- Actuarial Valuation
- GASB Actuarial Valuations
- Other Actuarial Reports
- Supplemental Retiree Benefit Reserve Valuation
- Administrative Budget
- All Financial Reports

1. You can access the financial reports by selecting **“Publications”** under **Forms & Publications** from the Menu on the ACERA website (www.ACERA.org)

2. Select **Comprehensive Annual Financial Report** under Financial Reports



3. Select **Comprehensive Annual Financial Report For The Year Ended 2020** under Comprehensive Annual Financial Reports and then click **“Download”** to retrieve the report

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Trustee Education

Example of how certain sections of the financial report can be used to gather business intelligence about performance, risks and trends.

Average Pension Benefit Payments (Actuary's Exhibit VI) Last Ten Fiscal Years

| Retirement Effective Dates' | Years of Service | | | | | | | Incomplete Data |
|---------------------------------|------------------|-----------|-----------|----------|----------|----------|----------|-----------------|
| | 0-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30+ | |
| Period 1/1/11-12/31/11 | | | | | | | | |
| Average Monthly Pension Benefit | \$ 638 | \$ 1,180 | \$ 1,735 | \$ 2,598 | \$ 3,852 | \$ 5,704 | \$ 6,799 | N/A |
| Average Final Average Salary | \$ 7,660 | \$ 6,031 | \$ 6,461 | \$ 6,426 | \$ 7,357 | \$ 8,320 | \$ 8,325 | N/A |
| Number of Retired Members Added | 21 | 59 | 84 | 63 | 124 | 83 | 90 | 53 |
| Period 1/1/12-12/31/12 | | | | | | | | |
| Average Monthly Pension Benefit | \$ 1,133 | \$ 1,343 | \$ 1,791 | \$ 2,852 | \$ 3,956 | \$ 5,560 | \$ 6,840 | N/A |
| Average Final Average Salary | \$ 6,971 | \$ 6,728 | \$ 6,445 | \$ 7,147 | \$ 7,722 | \$ 8,461 | \$ 8,302 | N/A |
| Number of Retired Members Added | 19 | 39 | 91 | 45 | 99 | 79 | 80 | 59 |
| Period 1/1/13-12/31/13 | | | | | | | | |
| Average Monthly Pension Benefit | \$ 1,214 | \$ 1,133 | \$ 1,755 | \$ 2,412 | \$ 3,933 | \$ 5,029 | \$ 6,764 | N/A |
| Average Final Average Salary | \$ 9,387 | \$ 5,454 | \$ 6,766 | \$ 6,470 | \$ 7,592 | \$ 8,074 | \$ 8,211 | N/A |
| Number of Retired Members Added | 20 | 48 | 113 | 53 | 150 | 88 | 103 | 50 |
| Period 1/1/14-12/31/14 | | | | | | | | |
| Average Monthly Pension Benefit | \$ 851 | \$ 1,230 | \$ 1,874 | \$ 2,904 | \$ 3,481 | \$ 5,438 | \$ 6,204 | N/A |
| Average Final Average Salary | \$ 9,411 | \$ 6,884 | \$ 6,929 | \$ 7,397 | \$ 7,290 | \$ 8,700 | \$ 8,095 | N/A |
| Number of Retired Members Added | 21 | 36 | 102 | 59 | 85 | 89 | 62 | 44 |
| Period 1/1/15-12/31/15 | | | | | | | | |
| Average Monthly Pension Benefit | \$ 1,004 | \$ 1,642 | \$ 1,912 | \$ 2,722 | \$ 3,682 | \$ 5,164 | \$ 6,238 | N/A |
| Average Final Average Salary | \$ 9,461 | \$ 7,007 | \$ 6,933 | \$ 7,198 | \$ 7,752 | \$ 8,271 | \$ 8,205 | N/A |
| Number of Retired Members Added | 24 | 45 | 92 | 62 | 76 | 63 | 68 | 39 |
| Period 1/1/16-12/31/16 | | | | | | | | |
| Average Monthly Pension Benefit | \$ 998 | \$ 1,820 | \$ 1,742 | \$ 2,737 | \$ 3,456 | \$ 5,217 | \$ 6,164 | N/A |
| Average Final Average Salary | \$ 13,095 | \$ 10,334 | \$ 10,108 | \$ 7,775 | \$ 7,960 | \$ 9,002 | \$ 8,324 | N/A |
| Number of Retired Members Added | 22 | 54 | 89 | 76 | 82 | 81 | 75 | 44 |
| Period 1/1/17-12/31/17 | | | | | | | | |
| Average Monthly Pension Benefit | \$ 597 | \$ 1,749 | \$ 2,051 | \$ 2,527 | \$ 3,896 | \$ 4,624 | \$ 7,324 | N/A |
| Average Final Average Salary | \$ 8,571 | \$ 7,388 | \$ 7,629 | \$ 7,037 | \$ 7,679 | \$ 7,751 | \$ 9,185 | N/A |
| Number of Retired Members Added | 30 | 50 | 87 | 76 | 83 | 82 | 69 | 35 |
| Period 1/1/18-12/31/18 | | | | | | | | |
| Average Monthly Pension Benefit | \$ 983 | \$ 1,565 | \$ 1,988 | \$ 2,985 | \$ 4,179 | \$ 4,590 | \$ 6,873 | N/A |
| Average Final Average Salary | \$ 8,091 | \$ 7,099 | \$ 7,238 | \$ 7,636 | \$ 8,163 | \$ 7,878 | \$ 9,204 | N/A |
| Number of Retired Members Added | 20 | 64 | 101 | 97 | 87 | 92 | 87 | 35 |
| Period 1/1/19-12/31/19 | | | | | | | | |
| Average Monthly Pension Benefit | \$ 846 | \$ 1,459 | \$ 2,315 | \$ 3,140 | \$ 4,329 | \$ 5,528 | \$ 7,080 | N/A |
| Average Final Average Salary | \$ 10,462 | \$ 8,150 | \$ 7,943 | \$ 8,143 | \$ 8,278 | \$ 9,036 | \$ 9,143 | N/A |
| Number of Retired Members Added | 43 | 61 | 89 | 88 | 95 | 93 | 98 | 23 |
| Period 1/1/20-12/31/20 | | | | | | | | |
| Average Monthly Pension Benefit | \$ 1,170 | \$ 1,782 | \$ 2,439 | \$ 3,396 | \$ 4,639 | \$ 5,139 | \$ 7,717 | N/A |
| Average Final Average Salary | \$ 9,793 | \$ 8,479 | \$ 9,045 | \$ 8,413 | \$ 9,378 | \$ 8,605 | \$ 9,925 | N/A |
| Number of Retired Members Added | 21 | 60 | 80 | 73 | 102 | 65 | 107 | 32 |

Source: 2020 Annual
Comprehensive Financial
Report (Pg. 141)

Questions