Status of Audit Recommendations
February 16, 2023

Office of Retirement Services – Internal Audit
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| | **Background** | In October 2022, the ORS Internal Audit Division (IAD) requested that ORS management provide an update on the status of open audit recommendations. |

Background

In October 2022, the ORS Internal Audit Division (IAD) requested that ORS management provide an update on the status of open audit recommendations.

Mandate and authority

To ensure that ORS management is accountable for implementing audit recommendations or accepting the risk of not taking action, internal auditing standards require that auditors establish and maintain a system to monitor the disposition of audit results communicated to management.

Summary

There were 40 audit recommendations open during 2022 from 6 IAD audit reports that were issued in 2022 or in prior years. The overall rate of implementation based on the information provided by ORS management was 15 percent (i.e., 6 of the 40 public audit report recommendations that were open during 2022 were implemented). The average age of the 34 audit recommendations that were either "in process" or "not started" was 534 days (as of February 16, 2023). The table below summarizes the status of audit recommendations by audit report. Past audit reports without open recommendations in 2022 are not shown.

Status of <u>Public</u> Audit Recommendations as of February 2023

Audit Report	Age (Days)~	Implemented*	Closed+	In Process#	Not Started#	Total^
1. Member Death Verification (Issued 10/17/2019)	1,218	0	0	2	0	**2**
2. Member Enrollment (Issued 5/20/2021)	637	2	0	15	0	**17**
3. Member Termination (Issued 8/19/2021)	546	0	0	7	0	**7**
4. Pay Codes Audit (Issued 2/17/2022)	346	0	0	2	1	**3**
5. Contribution Reconciliation (Issued 6/2/2022)	259	3	0	1	2	**6**
6. Contribution Rates (Issued 10/20/2022)	119	1	0	0	4	**5**
Total:	N/A	**6**	**0**	**27**	**7**	**40**

Source: IAD internal records, correspondence with ORS staff, review of selected implementation records

~ The number of days from the audit issuance date to February 16, 2023.

* The entire audit recommendation, including all subsections have been addressed (implemented).

+ ORS management disagreed with the recommendation, in part or in whole, and accepts the risk of not implementing it.

ORS management reported that the recommendation was still in process (or not started) as of February 2023.

^ A count of recommendations open at any time during 2022. Their final statuses, as of February 2023, is shown in the preceding four columns.

Exhibits 1 through 6 (at the end of this report) provide the following information for each of the 6 audit reports that had open recommendations in 2022:

- Audit findings (excluding reports and findings fully addressed in past years)

- Audit recommendations (excluding those implemented in past years)

- The status of each audit recommendation (e.g., complete, in process, closed)

- ORS management's original response for each audit recommendation

- Status updates, if any, from ORS management for each audit recommendation

The implementation rate has declined for audit recommendations

Many factors impact the rate of implementation for audit recommendations, such as the significance and complexity of the underlying issues, availability of resources, and management's prerogative to prioritize work. The table below summarizes, by year, total open audit recommendations (during the year), the number of recommendations implemented (by the end of the year), the implementation rate, and relevant changes over time (last two columns).

Implementation of Audit Recommendations Over Time

Year	2020	2021	2022	Change from 2020	Change from 2021
# of Open Recommendations	26	32	40	+14	+8
# of Open Rec's Implemented	17	5	6	-11	+1
% of Open Rec's Implemented	65%	16%	15%	-50 (%)	-1 (%)

Source: IAD internal records, correspondence with ORS staff, review of selected implementation records

Confidential memorandums and recommendations

In compliance with Government Auditing Standards sections 9.61 to 9.67, the recommendations that were provided in confidential memorandums from the IAD to ORS management are omitted from this report to prevent the disclosure of sensitive information and organizational vulnerabilities. The overall rate of implementation based on the information provided by ORS management was 0 percent (i.e., 0 of the 14 confidential memorandum recommendations that were open during 2022 were implemented). The average age of the 14 recommendations that were either "in process" or "not started" was 605 days (as of February 16, 2023). In the interest of transparency, the table below identifies the memorandums that were issued, the dates of issuance, and the status of recommendations for each.

Status of Confidential Memorandum Recommendations as of February 2023

Confidential Memorandum	Age (Days)~	Implemented*	Closed+	In Process#	Not Started#	Total^
1. 2020 Staff Survey and IT Security (issued 12/22/2020)	786	0	0	4	0	4
2. Document Storage and Scanning (Issued 6/4/2021)	622	0	0	6	0	6
3. Transmittal Audit – Closeout (Issued 10/13/2021)	491	0	0	2	0	2
4. 2021 Staff Survey and IT Security (Issued 1/5/2022)	407	0	0	0	3	3
Total:	N/A	0	0	12	3	15

Source: IAD internal records, correspondence with ORS staff, review of selected implementation records

~ The number of days from the memorandum issuance date to February 16, 2023.

* The entire recommendation, including all subsections have been addressed (implemented).

+ ORS management disagreed with the recommendation, in part or in whole, and accepts the risk of not implementing it.

ORS management reported that the recommendation was still in process (or not started) as of February 2023.

^ A count of recommendations open at any time during 2022. The final statuses, as of February 2023, is shown in the preceding four columns.

Exhibit 1: Recommendation Status – Audit of Member Death Verification (Benefits Division, Issued October 17, 2019)

Recommendation	Status	Original Response	Updates
Finding #3: In relation to finding #2, it was discovered that the known overpayments not yet recovered are all due from the members' estates.			
3.1 Discuss with the Board and management the next steps that can be taken to reasonably make an effort in retrieving the overpaid amounts with the consideration of costs and benefits. **Age (in days): 1218**	In Process	**Agree:** ORS will work with counsel to establish approaches and legal considerations. Whereas Benefits staff currently work on recovering such overpayments, assistance from resources skilled in this area would be welcomed, such as a collection agency. Education in probate would also be beneficial for Benefits staff.	**January 2023 Update:** None **Expected Completion Date:** TBD Prior Year Updates: **January 2022 Update:** None **Expected Completion Date:** TBD **February 2021 Update:** Benefits staff are now processing estate claim forms (DE172). Education for staff on probate is still outstanding at this time.
Finding #4: Benefits Division doesn't have a process to ensure DASP has controls over data security, privacy, integrity, availability, and confidentiality.			
4.1 To determine if the outsourced vendor has effective controls over data security, Internal Audit recommends: **a.** Requesting and reviewing SOC 2 certification annually. **Age (in days): 1218**	In Process	**Agree:** SOC2 reports will be requested annually going forward.	**January 2023 Update:** SOC2 reports are requested and reviewed annually for outsourced Vendors. **Expected Completion Date:** August 2023 for 08/01/2022 to 07/31/2023 SOC report Prior Year Updates: **January 2022 Update:** SOC2 reports are requested and reviewed annually for outsourced Vendors **Expected Completion Date:** Ongoing **February 2021 Update:** SOC2 reports are requested and reviewed annually for outsourced Vendors.

Exhibit 1: Recommendation Status – Audit of Member Death Verification (Benefits Division, Issued October 17, 2019)			
Recommendation	**Status**	**Original Response**	**Updates**
b. Periodic inquiries to the outsourced service providers should be made to ensure that there are no material changes regarding the service provider's systems and applications that can affect the department's operations. **Age (in days): 1218**	In Process	**Agree:** ORS will implement a due diligence process with all ORS vendors that will be conducted at least annually.	**January 2023 Update:** The ORS plans to send annual emails to LRS, Flexential, Twilio, SendGrid, and Granicus to inquire if there have been any changes regarding systems and their applications that could have an effect on ORS applications. **Expected Completion Date:** TBD Prior Year Updates: **January 2022 Update:** Recommendation 4.1b is in process with an anticipated completion date of June 2022. **Expected Completion Date:** June 2022 **February 2021 Update:** Recommendation 4.1b is in process with an anticipated completion date of June 2021.

Exhibit 2: Recommendation Status – Member Enrollment Audit (Benefits Division, Issued May 20, 2021)			
Recommendation	**Status**	**Original Response**	**Updates**
Finding #1: Most pension plan member data are accurate and complete			
1.1 Inform plan members that they can opt out of hard-copy correspondence from the ORS. For members who opt out, send automated email notifications with information regarding how to access their statements online, when there is an update or important information that would previously have been sent in hard copy. **Age (in days): 637**	Complete	**Agree:** ORS will plan on notifying members of their ability to opt out of hard copy. **Target Date**: May 2022	**January 2023 Update:** Correspondence generated out of Pension Gold gets sent to the default communication setting of the member. Newsletters: Member Direct Portal allows the members to select if they want to receive Physical newsletters, e-Newsletters, both, or none. Also, the City of San Jose - Office of Retirement Services (sjretirement.com) website in two places (Newsletter & Publications) asks users to fill in their information if they don't want to receive physical Newsletters. **Completion Date:** December 2022 Prior Year Updates: **January 2022 Update:** ORS plans to include a message on the Annual member statements. ORS also plans to include a news article in the April edition of the Newsletter. **Expected Completion Date:** May 2022
1.4 In coordination with the PensionGold vendor (LRS), configure PensionGold to: • Show members' "preferred" phone numbers as their default contact number, instead of members' "home" phone numbers (or no phone number in some instances) in the "Advanced Search – Person" search results and Excel report downloads. • Remove or archive phone numbers that were eliminated for employees in PeopleSoft. **Age (in days): 637**	In Process	**Agree:** ORS will explore options to include or indicate in PensionGold a member's preferred number to show when using the Advanced Search. In addition, ORS will explore options to remove or archive phone numbers that were eliminated for employees in PeopleSoft. **Target Date:** December 2022	**January 2023 Update:** We will check in PeopleSoft to see if they store the preferred contact number. We will continue to work with our vendor. **Expected Completion Date:** TBD Prior Year Updates: **January 2022 Update:** ORS is working with the LRS to explore options to include or indicate in PensionGold a member's preferred number to show when using the Advanced Search. **Expected Completion Date:** June 2023

Exhibit 2: Recommendation Status – Member Enrollment Audit (Benefits Division, Issued May 20, 2021)			
Recommendation	**Status**	**Original Response**	**Updates**
1.5 Implement PensionGold's account lock feature to protect against inadvertent or potentially fraudulent changes to PensionGold accounts that should rarely, if ever, be changed. Create policies and procedures (e.g., document who will have the authority to lock and/or unlock member accounts, document which accounts should be locked) and train staff on the use of the feature. **Age (in days): 637**	In Process	**Agree:** ORS will work on identifying accounts that should rarely be changed, and subsequently work with the PensionGold Software Vendor to lock these accounts. In addition, ORS will create policies and procedures and provide training for staff. **Target Date:** July 2022	**January 2023 Update:** ORS is continuing to research the utilization of the Account Lock feature. **Expected Completion Date:** TBD Prior Year Updates: **January 2022 Update:** ORS is working with LRS. **Expected Completion Date:** December 2022
1.6 In coordination with the ORS's legal counsel, update the current records retention policy to ensure it is consistent with current laws, rules, and regulations and that it is also sufficiently specific for information in PensionGold. Identify and update PensionGold accounts that may not comply with the updated records retention policy. **Age (in days): 637**	In Process	**Agree:** ORS will work with legal counsel to review and update the current records retention policy. **Target Date:** December 2022	**January 2023 Update:** ORS continues to work on reviewing the policy and management will have ongoing meetings to discuss. **Expected Completion Date:** TBD Prior Year Updates: **January 2022 Update:** ORS is working on reviewing the current records retention policy. **Expected Completion Date:** December 2022
1.7 Assess the cost versus benefit of implementing an automated process in PensionGold to notify management of changes to key, high-risk data that should rarely, if ever occur (e.g., changes to a member's pension plan tier enrollment, social security number, birth date). If the assessment indicates that the benefits outweigh the costs, coordinate the implementation with the PensionGold vendor (LRS), update relevant ORS policies and procedures, and provide training to staff to ensure that the new process realizes the intended benefits. **Age (in days): 637**	In Process	**Agree:** ORS will work with the PensionGold software vendor to conduct a cost benefit analysis of implementing a solution to restrict changes or notify management when high risk data is updated/changed. ORS policies and procedures will be updated as necessary and training provided to staff to ensure that the new process realizes the intended benefits. **Target Date: July 2023**	**January 2023 Update:** Not provided **Expected Completion Date:** TBD Prior Year Updates: **January 2022 Update:** ORS is working with the PensionGold software vendor. **Expected Completion Date:** July 2023

Exhibit 2: Recommendation Status – Member Enrollment Audit (Benefits Division, Issued May 20, 2021)			
Recommendation	**Status**	**Original Response**	**Updates**
Finding #2: Duplicate member accounts in PensionGold cause operational inefficiencies and errors.			
2.1 Merge verified duplicate member accounts in PensionGold. The merging process should track the before and after status of each account to ensure that no employment data is lost or duplicated in the merged account. **Age (in days): 637**	In Process	**Agree:** ORS will merge verified member accounts in PensionGold. The process will track the before and after status of each account to ensure that no employment data is lost or duplicated in the merged account. **Target Date:** December 2022	**January 2023 Update:** Not provided **Expected Completion Date:** TBD Prior Year Updates: **January 2022 Update:** ORS are working with the PensionGold software vendor. **Expected Completion Date:** December 2022
2.2 In coordination with LRS, identify and correct the configuration or software errors in PensionGold that might have failed to identify and prevent the creation of real duplicate member accounts. **Age (in days): 637**	In Process	**Agree:** As part of the process to merge verified member accounts in PensionGold (Recommendation 2.1), ORS staff will identify whether any existing PensionGold software configuration should (or could) have prevented the creation of a duplicate member account and whether any corrective action may be required. **Target Date:** December 2022	**January 2023 Update:** PensionGold V3 has functionality that will notify staff of possible matches. **Expected Completion Date:** TBD Prior Year Updates: **January 2022 Update:** ORS is working with the PensionGold software vendor. **Expected Completion Date:** December 2022
2.3 Request that the PensionGold vendor (LRS) properly configure PensionGold to eliminate erroneous results in the PensionGold "Advanced Search – Person" report that show duplicate member accounts that do not exist. Ensure that the corrective action applies to the report's Excel downloads as well as the search results. **Age (in days): 637**	Complete	**Agree:** ORS will work with the PensionGold software Vendor, LRS, to address this issue. The resolution should also address recommendation 2.4. **Target Date:** December 2022	**January 2023 Update:** There were Duplicate Search Results after EmployeeID update. This was fixed by the vendor. **Completion Date:** January 2022 Prior Year Updates: **January 2022 Update:** ORS is working with the PensionGold software vendor. **Expected Completion Date:** December 2022

Exhibit 2: Recommendation Status – Member Enrollment Audit (Benefits Division, Issued May 20, 2021)				
Recommendation	**Status**	**Original Response**		**Updates**
2.4 In coordination with the implementation of recommendation 2.3, identify and correct employee accounts in PensionGold that erroneously omit employee identification numbers or have multiple employee identification numbers for the same member. **Age (in days): 637**	In Process	**Agree:** ORS will work with the PensionGold software Vendor, LRS, to address this issue. **Target Date:** December 2022		**January 2023 Update:** ORS is researching the accounts that either do not have an employee identification number or have multiple employee identification numbers. **Expected Completion Date:** March 31, 2023 Prior Year Updates: **January 2022 Update:** ORS is working with the PensionGold software vendor. **Expected Completion Date:** December 2022
2.5 Request that the PensionGold vendor (LRS) properly configure PensionGold to eliminate erroneous results in the PensionGold "Advanced Search – Person" report that show domestic relations order (DRO) accounts as member accounts. Ensure that the corrective action applies to the report's Excel downloads as well as the search results. **Age (in days): 637**	In Process	**Agree:** ORS will work with the PensionGold software vendor, LRS, to provide the ability to exclude DRO accounts from the advanced search for members. **Target Date:** July 2023		**January 2023 Update:** Created a ticket (PIR#138401) to eliminate erroneous results in the PensionGold "Advanced Search – Person" report that show domestic relations order (DRO) accounts as member accounts. Ensure that the corrective action applies to the report's Excel downloads as well as the search results. **Expected Completion Date:** TBD Prior Year Updates: **January 2022 Update:** ORS is working with the PensionGold software vendor. **Expected Completion Date:** July 2023
2.6 Periodically notify all plan members (including active, inactive, deferred, and retired members) with accounts in both City pension plans that their account beneficiary selections are separate and independent and that they must separately inform the ORS of beneficiaries for each account. The ORS should identify the best method to notify these members (e.g., in periodic retiree newsletters, active member statements). **Age (in days): 637**	In Process	**Agree:** ORS will explore options and work with legal counsel on the specifics of the solution to address this issue. **Target Date:** December 2022		**January 2023 Update:** ORS-IT has identified the following areas for updating the information: Member Statement, Newsletter, Website, and the Form **Expected Completion Date:** TBD Prior Year Updates: **January 2022 Update:** ORS is exploring options. **Expected Completion Date:** December 2022

Exhibit 2: Recommendation Status – Member Enrollment Audit (Benefits Division, Issued May 20, 2021)			
Recommendation	**Status**	**Original Response**	**Updates**
2.7 Revise the active employee and retiree beneficiary selection forms to clarify that the selection of beneficiaries is specific to each plan, that members of both plans need to separately register their beneficiaries with each plan, and that changes in beneficiaries for one plan do not supersede the selection, if any, in another plan. **Age (in days): 637**	In Process	**Agree:** ORS will explore options and work with legal counsel to identify appropriate revisions for the Beneficiary election forms to address this issue. **Target Date:** December 2022	**January 2023 Update:** None **Expected Completion Date:** December 2023 Prior Year Updates: **January 2022 Update:** ORS is exploring options **Expected Completion Date:** December 2022
Finding #3: Most members were enrolled in the correct pension plan and tier			
3.1 For new hires, incorporate the questions from the CalPERS "Classic" Eligibility Form into the City's existing online job application system and eliminate the manual, cross-departmental process to identify, track, and retroactively enroll eligible Tier 1 Classic members. Ensure that the process change is in alignment with the City's agreement with the 11 labor unions (Appendix 2). **Age (in days): 637**	In Process	**Agree:** ORS will liaise with OER and HR to explore the viability of incorporating the CalPERS "Classic" Eligibility Form into the City's existing online job application system with a view to eliminating the manual, cross-departmental process to identify, track, and retroactively enroll eligible Tier 1 Classic member. **Target Date:** December 2022	**January 2023 Update:** None **Expected Completion Date:** December 2023 Prior Year Updates: **January 2022 Update:** ORS is working with OER and HR. **Expected Completion Date:** December 2022
3.2 After implementing recommendation 3.1, align internal City policies and procedures to enroll Tier 1 Class new hires with the City's agreement with the 11 labor unions (Appendix 2) and correct inconsistencies in the City's Tier 1 Classic enrollment policies and procedures among the ORS, Office of Employee Relations, and the HRD to reflect the updated process to identify, track, and enroll eligible Tier 1 Classic members. **Age (in days): 637**	In Process	**Agree:** After implementation of recommendation 3.1, ORS will work with OER and HR to align City policies and procedures to enroll Tier 1 Class new hires with the City's agreement with the 11 labor unions and correct inconsistencies in the City's Tier 1 Classic enrollment policies and procedures among the ORS, Office of Employee Relations, and the HRD to reflect the updated process to identify, track, and enroll eligible Tier 1 Classic members. **Target Date:** December 2022	**January 2023 Update:** None **Expected Completion Date:** December 2023 Prior Year Updates: **January 2022 Update:** ORS is working with OER and HR on 3.1 **Expected Completion Date:** December 2022

Exhibit 2: Recommendation Status – Member Enrollment Audit (Benefits Division, Issued May 20, 2021)

Recommendation	Status	Original Response	Updates
3.3 Ensure that provisional job offers to eligible new employees correctly reflect their eligibility for the City's Tier 1 Classic pension plan tiers, subject to verification, based on the information that they provide about past service in a CalPERS or other reciprocal agency. **Age (in days): 637**	In Process	**Agree:** ORS will work with OER and HR. **Target Date:** December 2022	**January 2023 Update:** None **Expected Completion Date:** December 2023 <u>Prior Year Updates:</u> **January 2022 Update:** ORS will work with OER and HR **Expected Completion Date:** December 2022
3.4 Identify and implement a process to identify and correct any potential past errors where employees eligible for Tier 1 Classic membership were enrolled in a Tier 2 plan tier. This includes correcting erroneous member contribution and service credit records in PensionGold. The ORS, in coordination with the HRD, Office of Employee Relations, and the City's 11 labor unions, should also consider sending a notice to all existing Tier 2 City employees about eligibility requirements for Tier 1 Classic membership, how to identify their current plan and tier membership, how to check on the status of their CalPERS "Classic" Eligibility Forms, and how to apply for a potential correction to their current plan tier enrollment, if required. **Age (in days): 637**	In Process	**Agree:** ORS will work with OER and HR on implementing a process to identify and correct any potential past errors where employees eligible for Tier 1 Classic membership were enrolled in a Tier 2 plan tier. In addition, ORS will also work with OER and HR to explore the possibility of providing a notice to all existing Tier 2 City employees about eligibility requirements for Tier 1 Classic membership. **Target Date:** December 2022	**January 2023 Update:** None **Expected Completion Date:** December 2023 <u>Prior Year Updates:</u> **January 2022 Update:** ORS is working to identify and correct any potential past errors where employees eligible for Tier 1 Classic membership were enrolled in a Tier 2 plan tier. **Expected Completion Date:** December 2022
3.5 Implement any applicable parts of recommendations 3.1 through 3.4 for employees who are not new hires but may become eligible for Tier 1 Classic membership (e.g., eligible employees who receive promotions). **Age (in days): 637**	In Process	**Agree:** ORS will work on Implementing any applicable parts of recommendations 3.1 through 3.4 for employees who are not new hires but may become eligible for Tier 1 Classic membership. **Target Date:** December 2022	**January 2023 Update:** None **Expected Completion Date:** December 2023 <u>Prior Year Updates:</u> **January 2022 Update:** ORS is working on 3.1 to 3.4 **Expected Completion Date:** December 2022

Exhibit 3: Recommendation Status – Member Termination Audit (Benefits Division, Issued August 19, 2021)				
Recommendation		**Status**	**Original Response**	**Updates**
Finding #1: About $5.4 million in 605 member accounts is refundable to separated employees who were ineligible for post-employment membership in the Federated Plan and/or Police and Fire Plan				
1.1	Correct misinformation and omissions in the existing Return of Contributions Packet that is sent to separated City employees by reconciling it with the relevant, current Municipal Code sections. The corrections should address:	The overall recommendation will be closed when all parts are addressed (i.e., implemented or closed).		
a.	Misinformation that all Police and Fire members who separate from City employment need 10 or more years of City service, or reciprocity, to remain plan members (i.e., the corrected version should state that Police and Fire Plan Tier 2 members need 5 or more years, or reciprocity, to remain plan members) **Age (in days): 546**	In Process	**Agree:** ORS is working with OER on updating necessary documentation. **Target Date:** April 2023	**January 2023 Update:** None **Expected Completion Date:** December 2023
b.	Omission of information regarding options for employees who change jobs at the City and become members of a different City plan (e.g., a Federated Plan member takes a job that entitles him or her to membership in the Police and Fire Plan). This correction should be done in conjunction with the implementation of Recommendations 1.5b and 1.6a to ensure that the information is supported by the Municipal Code and citywide and ORS written policies and procedures. **Age (in days): 546**	In Process	**Agree:** ORS is working with OER **Target Date:** December 2023	**January 2023 Update:** None **Expected Completion Date:** December 2023

Exhibit 3: Recommendation Status – Member Termination Audit (Benefits Division, Issued August 19, 2021)

Recommendation	Status	Original Response	Updates
c. Omission of information regarding the Municipal Code's mandates to terminate the member accounts of separated City employees who do not provide a Distribution Election Form within 90 days of notice from the ORS (i.e., the Return of Contributions Packet) and to rollover their contributions into an appropriate retirement plan. **Age (in days): 546**	In Process	**Agree:** ORS is working on developing a process. **Target Date:** December 2023	**January 2023 Update:** None **Expected Completion Date:** December 2023
d. Omission of information that the Municipal Code deems unresponsive Federated Plan members with 20 or more years of service as having elected to remain plan members. **Age (in days): 546**	In Process	**Agree:** ORS is working on this issue. **Target Date:** December 2023	**January 2023 Update:** None **Expected Completion Date:** December 2023
1.2 After implementing Recommendation 1.1, in coordination with the ORS's legal counsel, the Office of Employee Relations, and the HRD, decide whether to send inactive plan members a corrected Return of Contributions Packet, with an explanation of the corrections (e.g., that unless a member has 20 or more years of Federated Plan service credit, the Municipal Code requires that the ORS terminate the member's account if he or she does not submit a completed Distribution Election Form within 90 days of notice from the ORS and that the funds will be rolled over into an appropriate retirement plan) and an extended timeline for the impacted members' elections. **Age (in days): 546**	In Process	**Agree:** ORS is working on this issue. **Target Date:** December 2023	**January 2023 Update:** None **Expected Completion Date:** December 2023

Exhibit 3: Recommendation Status – Member Termination Audit (Benefits Division, Issued August 19, 2021)

Recommendation	Status	Original Response	Updates
1.3 After implementing Recommendation 1.2, review and verify the service credit and account balances of the 605 accounts shown in Exhibit 3. Unless updated information from the member or corrected information in PensionGold indicates otherwise, terminate the ineligible member accounts in PensionGold, and refund or rollover, in accordance with the Municipal Code, the estimated $5.4 million in member contributions and accumulated interest. To accomplish this in a timely manner, the ORS should consider contracting for specialized consultant services (i.e., contracting with a third party that specializes in the direct rollover of contributions of unresponsive or missing plan members into an appropriate, Board-approved retirement plan, in accordance with Section 401(a)(31)(B) of the Internal Revenue Code and IRS Notice 2005-05). **Age (in days): 546**	In Process	**Agree:** ORS is working on this issue. **Target Date:** June 2024	**January 2023 Update:** None **Expected Completion Date:** June 2024

Exhibit 3: Recommendation Status – Member Termination Audit (Benefits Division, Issued August 19, 2021)

Recommendation	Status	Original Response	Updates
1.4 Review and verify the service credit and account balances of the 93 active PensionGold accounts that were noncontributing as of February 12, 2021, excluding the ones included among the 605 accounts and verified in completing Recommendation 1.3. If the ORS confirms that the members have separated from employment, take appropriate steps to administer the return of contributions process. Otherwise, in coordination with the Finance Department, HRD, and Office of Employee Relations, determine corrective action required to ensure that the impacted employees' accounts accurately reflect past and future pension plan contributions. This recommendation should be implemented in conjunction with Recommendation 1.6f to ensure that the ORS has a process to identify and address instances of active member accounts that do not show ongoing plan contributions and for which the HRD has not provided a NOS form to show that the employee has separated from City service. **Age (in days): 546**	In Process	**Agree:** ORS is working on this issue. **Target Date:** December 2023	**January 2023 Update:** None **Expected Completion Date:** December 2023
1.5 In coordination with ORS's legal counsel, the Office of Employee Relations, and the HRD:	The overall recommendation will be closed when all parts are addressed (i.e., implemented or closed).		
a. Review and revise the City's Employee Separations Policy (section 3.2.4 of the City's Administrative Policy Manual) to ensure that is consistent with the City's Municipal Code (e.g., the period of time allotted to separated City employees to submit a completed Distribution Election Form should be consistent). **Age (in days): 546**	In Process	**Agree:** ORS is working with OER and HR **Target Date:** June 2024	**January 2023 Update:** None **Expected Completion Date:** June 2024

Exhibit 3: Recommendation Status – Member Termination Audit (Benefits Division, Issued August 19, 2021)

Recommendation	Status	Original Response	Updates
b. Assess whether there is need to revise the Municipal Code or relevant City policies and procedures to clarify the election options that may or should exist for City employees who change jobs at the City and become members of another City retirement plan without the requisite years of service to remain members of their first plan. This includes assessing whether there is a need to formally establish the Federated and Police and Fire Plans as reciprocal plans. Implement corrective action, including any necessary steps to amend the Municipal Code, to address the outcome of this assessment. This recommendation should be completed in conjunction with Recommendation 1.6a. **Age (in days): 546**	In Process	**Agree:** ORS is working on this issue with OER. **Target Date:** December 2023	**January 2023 Update:** None **Expected Completion Date:** December 2023

Exhibit 3: Recommendation Status – Member Termination Audit (Benefits Division, Issued August 19, 2021)

Recommendation	Status	Original Response	Updates
1.6 Organize, revise, secure and communicate to ORS Benefits Division staff the ORS's existing member termination policies and procedures to:		The overall recommendation will be closed when all parts are addressed (i.e., implemented or closed).	
a. Include information regarding how to administer member accounts of City employees who change jobs at the City and become members of another City plan (e.g., a member of the Federated Plan takes a new job and becomes a member of the Polices and Fire Plan) without meeting the minimum vesting requirements of their original plan (e.g., 5 years of service credit). The revision should discuss how to detect such employment and membership changes, especially if the HRD does not provide a NOS form for such employees, how the accounts should be classified in PensionGold, and whether an employee who changes plans without meeting the minimum service credit requirements of his or her original plan should be paid out and terminated given that there is no apparent reciprocity agreement between the Federated and Police and Fire Plans. This recommendation should be completed in conjunction with Recommendation 1.5b.

Age (in days): 546 | In Process | **Agree:** ORS is working on this issue.

Target Date: December 2023 | **January 2023 Update:** None

Expected Completion Date: December 2023 |

Exhibit 3: Recommendation Status – Member Termination Audit (Benefits Division, Issued August 19, 2021)

Recommendation	Status	Original Response	Updates
b. Ensure that existing policies and procedures in the ORS shared drive, including associated training materials, are uniquely stored in a secured (i.e., there is one, current version that is protected from unauthorized changes), official (i.e., administered by senior management and explicitly showing management's approval), and recognized (i.e., routinely communicated to staff and clearly labeled) version, preferably with references to relevant Municipal Code sections to facilitate future updates and revisions. **Age (in days): 546**	In Process	**Agree:** ORS is working on this issue in conjunction with the migration to a central SharePoint location. **Target Date:** June 2023	**January 2023 Update:** None **Expected Completion Date:** June 2023
c. Eliminate outdated and duplicate versions of policies and procedures, including associated training materials, stored throughout the shared drive. **Age (in days): 546**	In Process	**Agree:** ORS is working on this issue in conjunction with the migration to a central SharePoint location. **Target Date**: December 2023	**January 2023 Update:** None **Expected Completion Date:** December 2023
d. Ensure that key member termination mandates in the City's Municipal Code, including timelines, are included and implemented. **Age (in days): 546**	In Process	**Agree:** ORS will work with OER. **Target Date:** December 2023	**January 2023 Update:** None **Expected Completion Date:** December 2023
e. Implement a process, using PensionGold preferably, to efficiently track and terminate the membership of missing and/or unresponsive plan members who have separated from City service without meeting minimum eligibility requirements stated in the Municipal Code. To design the process, refer to the Municipal Code, IRS Notice 2005-5, Department of Labor regulations and guidance under 29 CFR § 2550.404a–2, and the U.S. Department of Labor guidance regarding missing participants (Appendix 6). **Age (in days): 546**	In Process	**Agree:** ORS is working on developing a process. **Target Date:** December 2023	**January 2023 Update:** None **Expected Completion Date:** December 2023

Exhibit 3: Recommendation Status – Member Termination Audit (Benefits Division, Issued August 19, 2021)

Recommendation	Status	Original Response	Updates
f. Implement the existing procedure to use the "Non-reporters Report" or an alternative report to identify plan members who have not made their latest biweekly pension contributions and follow up to timely terminate their membership or take other appropriate corrective actions if the members have not separated from City employment (e.g., ensure that PeopleSoft biweekly employment data for the member is appropriately uploaded to the member's account). **Age (in days): 546**	In Process	**Agree:** ORS is working on implementing the existing procedure to use the "Non-reporters Report" or an alternative report to identify plan members who have not made their latest biweekly pension contributions. **Target Date:** December 2022	**January 2023 Update:** None **Expected Completion Date:** December 2023
g. Implement the existing procedure to timely scan and include key personnel and retirement documents (e.g., Notice of Separation form) in members' PensionGold accounts. If possible, eliminate the current requirement to obtain in hard copy or print electronic documents prior to uploading them into members' PensionGold accounts. **Age (in days): 546**	Complete	**Agree:** ORS is scanning documents to the network in a timely manner. Hardcopies are used when available, otherwise an electronic version is used. **Target Date:** December 2022	**January 2023 Update:** Temporary staff has been assigned to upload key personnel and retirement documents in members' Pension Gold accounts. ORS is immediately scanning hard copy forms received in the mail or in person. In addition, scanned forms are accepted via email, fax and Member Direct. Staff has eliminated printing of hard copies and only utilizes scanned copies of forms during retirement setup processing. **Completion Date:** Not provided

Exhibit 3: Recommendation Status – Member Termination Audit (Benefits Division, Issued August 19, 2021)

Recommendation	Status	Original Response	Updates
1.7 Periodically assess the ORS's compliance with the Municipal Code mandates relevant to the member termination process and take corrective action (e.g., revise policies and procedures, retool workflows, reconfigure PensionGold, train staff) if/when ORS management identifies areas for improvement. To meet transparency, accountability, and continuous improvement goals and objectives, the ORS should identify and provide relevant performance metrics (e.g., percent of plan members who are provided the Return of Contributions Packet within 6 weeks of separation from City employment, percent of separated City employees who submit a completed Distribution Election Form within 90 days of notice) to the City Auditor's Office to include in the Annual Report on City Services. Consult with the City's external auditors, actuarial service providers, and departments with an interest (e.g., the Office of Employee Relations) to identify opportunities to share and publish the information, where useful, to stakeholders. **Age (in days): 546**	In Process	**Agree:** ORS will Periodically assess the ORS's compliance with the Municipal Code mandates relevant to the member termination process and take corrective action. **Target Date:** April 2023	**January 2023 Update:** None **Expected Completion Date:** December 2023

Exhibit 4: Recommendation Status – Benefits Audit: Pay Codes (Benefits Division, Issued February 17, 2022)			
Recommendation	**Status**	**Original Response**	**Updates**
Finding #1: The ORS accurately recorded authorized, pensionable employee salaries in plan members' accounts. Improved ORS oversight and citywide process improvements will prevent lapses, such as inclusion of "higher class pay" in some pensionable salaries.			
Finding #2: The ORS accurately recorded authorized, pensionable employee hours worked in plan members' accounts. Improvements and timely updates to the City's official list of pensionable pay codes (Appendix 1) and enhanced ORS oversight can ensure the accuracy of plan members' service credits (based on pensionable hours worked).			
Note: The audit recommendations in this audit were not identified and numbered by finding. Both audit report findings are shown above for reference.			
1.1 Request that the Finance Department create a formal plan and timeline, <u>which is approved and periodically monitored by ORS management</u>, to identify and remediate the process and system deficiencies that resulted in the submission of biweekly transmittal files to the ORS with erroneous or incomplete information, including:		The overall recommendation will be closed when all parts are addressed (i.e., implemented or closed).	
a. <u>Retroactive salaries</u> that were lumped into the earliest of a range of pay periods instead of properly "spread" or allocated in the biweekly transmittal files provided to the ORS, consistent with PeopleSoft records. **Age (in days): 364**	Complete	**Agree:** ORS will request the Finance department create a formal plan and timeline to identify and remediate the process and system deficiencies that resulted in the submission of biweekly transmittal files to the ORS with erroneous or incomplete information. **Target Date:** December 2022	**January 2023 Update:** ORS is working with Central ITD to test the PeopleSoft programming. **Completion Date:** September 2023
b. <u>Non-pensionable salaries</u> (i.e., higher class pay) that were also inconsistent with the OER's list of pensionable pay codes (Appendix 1) but included in biweekly transmittal files provided to the ORS. **Age (in days): 364**	Complete		**January 2023 Update:** ORS worked with Finance and Finance and has corrected all the records. **Completion Date:** Not provided
c. <u>Non-standard pay period dates</u> that were submitted in biweekly transmittals to the ORS. **Age (in days): 364**	In Process		**January 2023 Update:** ORS continues to work with Finance to identify a solution for this issue. **Expected Completion Date:** TBD
d. <u>Pensionable hours worked that were not (yet) authorized</u>, in the OER's list of codes (Appendix 1). **Age (in days): 364**	In Process		**January 2023 Update:** Not Provided **Expected Completion Date:** TBD

Exhibit 4: Recommendation Status – Benefits Audit: Pay Codes (Benefits Division, Issued February 17, 2022)			
Recommendation	**Status**	**Original Response**	**Updates**
1.2 After implementing recommendation 1, create and authorize (i.e., signed by the ORS director) a plan to identify, prioritize, and correct past and future erroneous records of pensionable salaries and pensionable hours worked in plan members' PensionGold accounts. The plan should include the following elements:		The overall recommendation will be closed when all parts are addressed (i.e., implemented or closed).	
a. Creation of policies and procedures and assignment of roles and responsibilities to: • Define the ORS's measurable business goals and objectives for posting plan members' pensionable salaries and pensionable hours worked in their PensionGold accounts (e.g., only pensionable salaries and hours, consistent with the OER list may be included in PensionGold accounts; pensionable salaries and hours worked must be recorded in the same period as shown in PeopleSoft). • Specify the specific circumstances that require spreading the City's and pension plan members' plan contributions in members' PensionGold accounts (i.e., whether and when such contributions are to be spread when there are retroactive changes in PeopleSoft to corresponding, pensionable salaries and pensionable hours worked that must be spread). • Periodically monitor member accounts in PensionGold to identify and timely correct any errors in the posting of pensionable salaries and pensionable hours worked. This should include specific steps (i.e., data analytic procedures) to identify and correct errors and address underlying process deficiencies. **Age (in days): 364**	In Process	**Agree:** Prior to implementing recommendation 1 fully, ORS has started working with Finance to identify and correct past erroneous records. ORS is working on developing a formal plan to identify, prioritize, and correct past and future erroneous records of pensionable salaries and pensionable hours worked in plan members' PensionGold accounts. **Target Date:** December 2022	**January 2023 Update:** Not provided **Expected Completion Date:** TBD

Exhibit 4: Recommendation Status – Benefits Audit: Pay Codes (Benefits Division, Issued February 17, 2022)

Recommendation	Status	Original Response	Updates
b. Verification and correction of plan members' accounts based on the IAD's documentation for this audit, which was provided to ORS staff and management, and based on ORS management's risk tolerance, a decision on how far back (i.e., prior to July 1, 2020) to extend the IAD's analytic procedures, or similar procedures, to identify and correct errors in the pensionable salaries and pensionable hours worked posted to plan members' accounts in PensionGold. **Age (in days): 364**	In Process		**January 2023 Update:** Not provided **Expected Completion Date:** TBD
1.3 In coordination with the ORS's legal counsel, OER, Finance Department, IT Department, HRD, and the City's 11 bargaining units (unions), draft, approve, and publish on the City's website an agreement that clarifies the specific roles, responsibilities, and procedures to implement the OER's list of pay codes (Appendix 1). The document should assign roles and responsibilities and address the following areas, at minimum:		The overall recommendation will be closed when all parts are addressed (i.e., implemented or closed).	
a. Maintenance (e.g., timely entering and/or removal of pay codes, updating references to the City's Municipal Code, specifying the exact effective and/or expiration date of the document) **Age (in days): 364**	Not Started	**Agree:** ORS will endeavor to develop an agreement as outlined in the recommendation with OER, Finance Department, IT Department, HRD, and the City's 11 bargaining units (unions). **Target Date:** December 2023	**January 2023 Update:** Not provided **Expected Completion Date:** TBD
b. Approval (e.g., timely approval by the ORS's Retirement Boards) **Age (in days): 364**	Not Started		**January 2023 Update:** Not provided **Expected Completion Date:** TBD
c. Dissemination and notification (e.g., timely notifying and sending updates to designated ORS staff and union representatives) **Age (in days): 364**	Not Started		**January 2023 Update:** Not provided **Expected Completion Date:** TBD

Exhibit 4: Recommendation Status – Benefits Audit: Pay Codes (Benefits Division, Issued February 17, 2022)

Recommendation	Status	Original Response	Updates
d. Implementation (i.e., timely programming PeopleSoft to ensure that the biweekly transmittal files sent to the ORS will appropriately reflect eligible City employees' pensionable salaries and pensionable hours worked, in compliance with the OER's list) **Age (in days): 364**	Not Started		**January 2023 Update:** Not provided **Expected Completion Date:** TBD
e. Archiving (i.e., making the prior versions of the authorized list and relevant policies and procedures accessible) **Age (in days): 364**	Not Started		**January 2023 Update:** Not provided **Expected Completion Date:** TBD
f. Reporting noncompliance (e.g., a process for employees and/or stakeholders, including the ORS, to report discrepancies between authorized, pensionable pay codes and plan members' accounts) **Age (in days): 364**	Not Started		**January 2023 Update:** Not provided **Expected Completion Date:** TBD

Exhibit 5: Recommendation Status – Audit: Reconciliation of Contributions (Accounting Division, Issued June 2, 2022)

Recommendation	Status	Original Response	Updates
Finding #1: City and plan member contributions were accurately and timely recorded in the City's financial records based on City payroll records. About $2 million in contributions for 104 plan members were missing in PensionGold, causing inefficiencies and potential errors in contribution refunds and retiree benefits.			
1.1 Request that the City update its <u>website</u> to include information on contribution mandates for FY 2021 and FY 2022. Request that the City review and update its existing procedures to ensure that the website is timely updated when revisions are implemented to contribution mandates by the ORS. **Age (in days): 259**	Complete	**Agree:** The Accounting division will reach out to OER and ensure the website is updated every time new contribution resolutions are approved and will include this as part of the new contribution rates process. **Target Date:** June 30, 2022	**January 2023 Update:** The City has updated its website with the required information. **Completion Date:** Not provided
1.2 Update the ORS's <u>official</u> policies and procedures for reconciling contributions data in PeopleSoft with PensionGold and the City's financial records. The update should include review and approval from senior management and comply with ORS Document No. 200.6, "POLICY AND PROCEDURE MAINTENANCE" and Document No. 100, "INTRODUCTION." The update should reflect ORS executive management's risk tolerance and business goals and objectives for PensionGold, including:	The overall recommendation will be closed when all parts are addressed (i.e., implemented or closed).		
a. The specific performance goals for the accuracy of contributions data (e.g., >99.99 percent of plan member contributions data in PensionGold are consistent with PeopleSoft within 2 weeks**.** **Age (in days): 259**	In Process	**Agree:** ORS Management, in coordination with the ORS's IT, Benefits, and Accounting Divisions will update and if needed, supplement relevant ORS official policies and procedures to clarify roles and responsibilities and specify performance goals and targets relevant to the implicit business objective of having accurate and complete plan member contribution data in PensionGold. ORS Management will explore options to automate reviews of member accounts to avoid costly and inefficient manual reviews that are currently required to ensure accounts are accurate before plan members are either paid out or retire. **Target Date:** June 30, 2023	**January 2023 Update:** The Accounting division is reviewing the policies to determine whether they are still applicable, and if so, they will be updated. **Expected Completion Date:** December 31, 2023

Exhibit 5: Recommendation Status – Audit: Reconciliation of Contributions (Accounting Division, Issued June 2, 2022)

Recommendation	Status	Original Response	Updates
b. Whether the ORS should focus and rely on the use of manual reviews of plan members' PensionGold accounts on an as needed basis to identify and correct erroneous data or whether the ORS should focus on developing automated processes and analytics to ensure that contributions data are entered accurately and timely in PensionGold. **Age (in days): 259**	Not Started		**January 2023 Update:** Not provided **Expected Completion Date:** TBD
1.3 Review the detailed, supporting testing data for this audit (i.e., the IAD's work that shows discrepancies between contributions data in PeopleSoft and PensionGold) to validate identified concerns, prioritize corrective action, and update existing ORS policies and procedures to prevent recurrence of the concerns (i.e., erroneous and omitted contributions data in PensionGold). **Age (in days): 259**	Complete	**Agree:** ORS Management, in coordination with the ORS's IT, Benefits and Accounting Divisions, will review existing procedures and the IAD's analysis to compile a master list of missing data in plan members' accounts in PensionGold and make necessary changes to existing division procedures (i.e., desk procedures) and official ORS policies and procedures to clarify roles and responsibilities and the appropriate methodology to correct erroneous and/or omitted contributions data in PensionGold. The Accounting Division has already reviewed and verified the IAD's analysis and agree with his findings. **Target Date:** June 30, 2023	**January 2023 Update:** The Accounting division has already reviewed the data. **Completion Date:** Not provided
1.4 Decide whether additional steps to identify erroneous or omitted contributions data in PensionGold should be taken, either by ORS Accounting, Benefits, or IT Division staff, to identify and correct plan members' accounts for pay periods prior to FY 2019 (i.e., whether to extend the IAD's audit steps to identify and correct erroneous or missing contributions prior to FY 2019). **Age (in days): 259**	Not Started	**Agree:** After implementing recommendation number 3, ORS Management, in coordination with the ORS's IT, Benefits, and Accounting Divisions will determine if additional analysis (i.e., reconciliation procedures) is necessary to identify and correct erroneous or omitted contributions data in PensionGold that may have occurred prior to the IAD's audit period for this report. **Target Date:** June 30, 2023	**January 2023 Update:** Not provided **Expected Completion Date:** TBD

Exhibit 5: Recommendation Status – Audit: Reconciliation of Contributions (Accounting Division, Issued June 2, 2022)			
Recommendation	**Status**	**Original Response**	**Updates**
1.5 Identify where PensionGold plan member account contributions data are shown or used (e.g., plan member statements, actuarial assumptions, publicly issued actuarial and financial reports) and decide whether corrective action or notification to affected parties is required. **Age (in days): 259**	Not Started	**Agree:** ORS Management, in coordination with the ORS's IT, Benefits, and Accounting Divisions will determine who has used or relied on the ORS's plan member data (e.g., the ORS's actuary service provider, plan members) and, if necessary, will provide notifications to the affected parties. **Target Date:** June 30, 2023	**January 2023 Update:** Not provided **Expected Completion Date:** TBD
1.6 Implement a formal IT service request management system that meets the applicable requirements of standards for the governance and management of IT (i.e., "COBIT® 2019 FRAMEWORK: GOVERNANCE AND MANAGEMENT OBJECTIVES"), including policies and procedures and system capabilities to:	The overall recommendation will be closed when all parts are addressed (i.e., implemented or closed).		
a. Identify, record, and classify service requests and incidents and assign a priority level according to business criticality and service agreements. **Age (in days): 259**	Complete	**Agree:** ORS Management, in coordination with the IT Division, will assess options for a formal IT service request management system. **Target Date:** December 31, 2022	**January 2023 Update:** The ORS IT Division, in coordination with ORS management and the City's IT Department, configured the existing City IT service request system to meet the ORS's needs. The IT Division uses the system to track, assign, manage, and report on tickets and their resolution. The ORS IT Division created a policy and trained staff on use of the system, which complies with the intent of this audit recommendation. **Completion Date:** August 2022
b. Select the appropriate request procedures and verify that the service requests fulfill defined request criteria. Obtain approval, if required, and fulfill the requests. **Age (in days): 259**	Complete		**January 2023 Update:** See above summary (1.6a). **Completion Date:** August 2022

Exhibit 5: Recommendation Status – Audit: Reconciliation of Contributions (Accounting Division, Issued June 2, 2022)

Recommendation	Status	Original Response	Updates
c. Identify and record incident symptoms, determine possible causes, and allocate for resolution. **Age (in days): 259**	Complete		**January 2023 Update:** See above summary (1.6a). **Completion Date:** August 2022
d. Regularly track, analyze, and report incidents and fulfilment of requests, and examine trends to provide information for continual improvement. **Age (in days): 259**	Complete		**January 2023 Update:** See above summary (1.6a). **Completion Date:** August 2022
e. Monitor and track incident escalations and resolutions and request handling procedures to progress toward resolution or completion. **Age (in days): 259**	Complete		**January 2023 Update:** See above summary (1.6a). **Completion Date:** August 2022
f. Identify information stakeholders (e.g., ORS staff, ORS management, Retirement Boards) and their needs for data or reports. Identify reporting frequency and medium.	Complete		**January 2023 Update:** See above summary (1.6a). **Completion Date:** August 2022
g. Verify satisfactory incident resolution and/or fulfilment of requests, and close. **Age (in days): 259**	Complete		**January 2023 Update:** See above summary (1.6a). **Completion Date:** August 2022

Exhibit 6: Recommendation Status – Audit: Member Contribution Rates (Accounting Division, Issued October 20, 2022)

Recommendation	Status	Original Response	Updates
Finding #1: Plan member contributions were accurately calculated and paid.			
1.1 Review and confirm the IAD's analytics for this audit and where applicable, coordinate with the Finance Department and the HRD to correct past contribution errors, including those discussed in this report (e.g., refund overpaid contributions to plan members). **Age (in days): 119**	Not Started	**Agree:** The ORS will coordinate with the Finance Department and the Human Resources Department (HRD) to correct past contribution errors, including those discussed in this report. **Target Date:** December 31, 2022	**January 2023 Update:** Not provided **Expected Completion Date:** TBD
1.2 To enable efficient and effective automated contribution rate verification processes (e.g., PensionGold's ability to verify the accuracy of plan member contributions), request that the HRD revise its internal procedures to ensure that in all instances, PeopleSoft PlanIDs accurately and uniquely associate eligible City employees (i.e., plan members) with the appropriate retirement plan enrollment attributes (i.e., ORS plan, tier, and the set of applicable rate components shown in Retirement Board-approved resolutions). Specifically, the HRD should ensure that a PlanID is not used to reference more than one unique combination of enrollment attributes (e.g., the PeopleSoft PlanID "POLREH" should not be used to enroll both Police Tier 1 Rehired members with and without prior Federated Tier 1 service because while the same ORS plan and tier apply, a different set of contribution rates apply). **Age (in days): 119**	Not Started	**Partially agree:** The ORS will work with the HRD to identify a process to achieve the recommendation. **Target Date:** June 30, 2023	**January 2023 Update:** Not provided **Expected Completion Date:** TBD

Exhibit 6: Recommendation Status – Audit: Member Contribution Rates (Accounting Division, Issued October 20, 2022)

Recommendation	Status	Original Response	Updates
1.3 Revise the ORS's list of plan codes for use in PensionGold (i.e., Appendix 3) to support all relevant PeopleSoft PlanIDs, including "FED30" and, once implemented by the HRD, a unique PlanID for Police Tier 1 Rehired members with prior Federated Tier 1 service. Implement a process to ensure that any changes to PeopleSoft PlanIDs are timely identified and addressed by the ORS (e.g., PensionGold is configured to notify ORS IT Division that a new PeopleSoft PlanID has been used in the biweekly transmittal files, which would prompt IT Division staff to timely add a corresponding ORS Plan code in PensionGold and prompt Accounting to adjust its monitoring procedures). **Age (in days): 119**	Not Started	**Partially agree:** The ORS will review and revise the list of plan codes to ensure it is up to date and included as a step in the process of implementing new Plan codes. Given the low number of FED Tier 1 members with 30 or more years of benefits service and the high cost of customization involved in implementing an additional plan, the ORS is working with our Pension administration system vendor to incorporated into PensionGold a flag to identify Federated Tier 1 members who have achieved 30 or more Benefit years of service. This flag is then utilized by PensionGold to automatically determine the appropriate contribution rate. **Target Date:** June 30, 2023	**January 2023 Update:** Not provided **Expected Completion Date:** TBD
1.4 Update existing policies and procedures to ensure that Retirement Board-approved rate changes, especially those that restructure rate components, are timely identified and when necessary, that Accounting's monitoring procedures are updated to accommodate the changes. **Age (in days): 119**	Complete	**Agree:** Accounting will update its policies and procedures to reflect any Board-approved rate changes. **Target Date:** March 31, 2023	**January 2023 Update:** Accounting has updated their contribution policy to ensure that rate changes and any other actions affecting contributions are identified. **Completion Date:** January 31, 2023

Exhibit 6: Recommendation Status – Audit: Member Contribution Rates (Accounting Division, Issued October 20, 2022)

Recommendation	Status	Original Response	Updates
1.5 Request that the Police and Fire Plan Board update and authorize the policy titled "Governing the Overpayment or Underpayment of Member Contributions." Locate the Federated Plan policy on overpaid/underpaid contributions and post it online together with other "standard operating procedures" shown on the ORS's web pages. Upon locating the corresponding Federated Plan policy, determine if it needs to be updated and if so, request that the Federated Plan Board update and authorize the policy. **Age (in days): 119**	Not Started	**Partially agree:** Admin staff will work with the Police and Fire Board to update all policies and procedures, including the policy titled "Governing the Overpayment or Underpayment of Member Contributions." The Federated contribution underpayment/overpayment policy was approved at the June 2015 Federated Governance meeting, but it doesn't appear to have been approved by the Board. This will be placed as a discussion item for a future Board meeting, and if approved, this will be posted to the ORS's website under the public set of governance policies. **Target Date:** June 30, 2023	**January 2023 Update:** Not provided **Expected Completion Date:** TBD