Joint Audit Committee:

Federated City Employees Retirement System
Police & Fire Retirement Plan
May 20, 2021

Presentation:

Audit Report: Member Enrollment

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Benefits Audit: Member Enrollment

<u>Objective:</u>

Does the ORS have reliable (i.e., accurate, complete, and consistent) enrollment data for members of San José's Federated and Police and Fire retirement plans?

- ✓ Data quality = Information quality

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Mandate and Authority:

The Office of Retirement Services (ORS) Internal Audit Division (IAD) conducted this audit in accordance with the IAD's Fiscal Year 2020 audit plan

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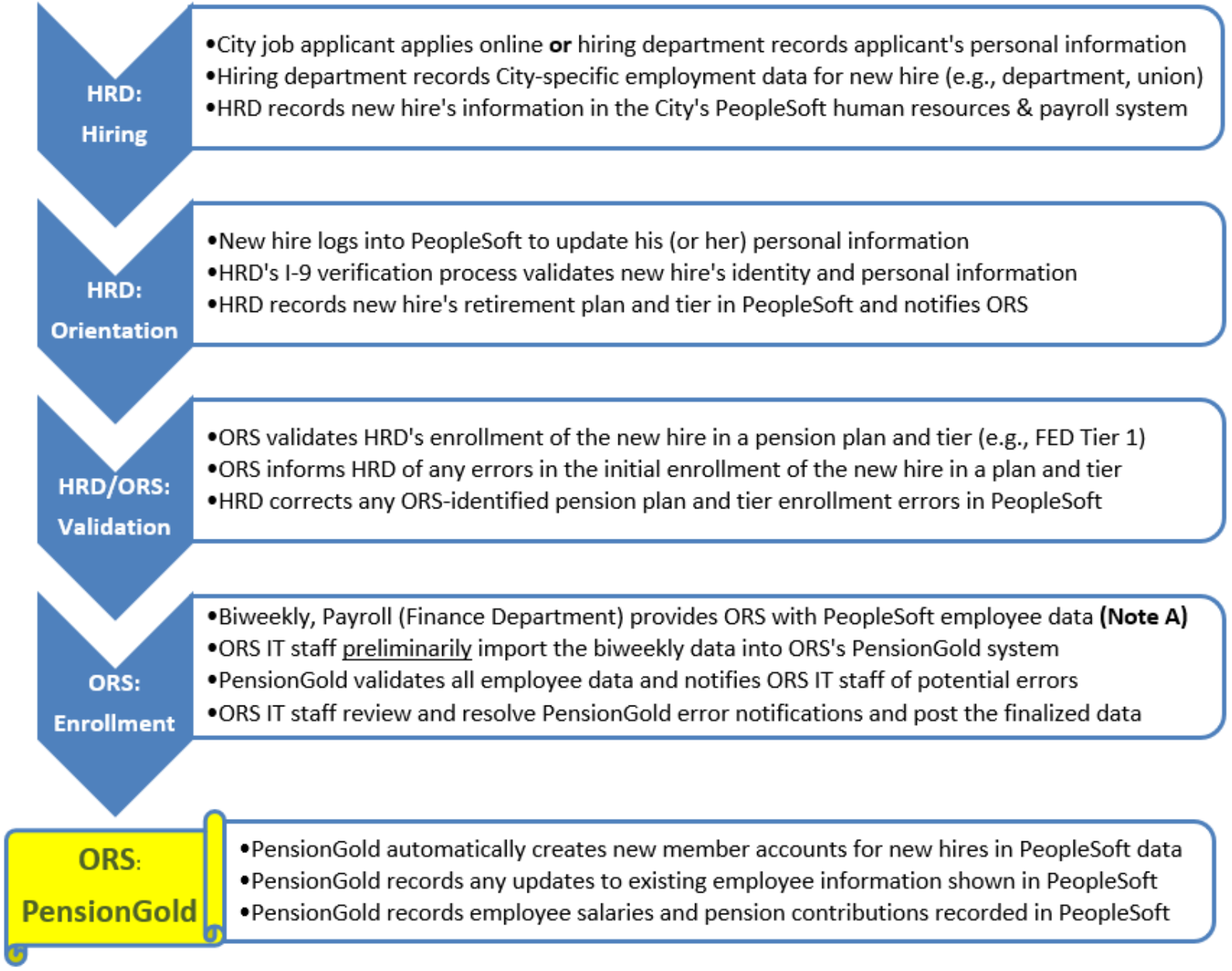
<u>Background:</u>

- A cross-departmental, biweekly process
- PeopleSoft (Human Resources and Payroll)
- PensionGold (ORS)

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Exhibit 1

Pension Plan Member Enrollment Process



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<u>Scope:</u>

Personal and pension plan enrollment data for 5,547 active pension plan members (of 18,582 PensionGold accounts for active, inactive, deferred, retired, and deceased members)

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Methodology:

- Risk Assessment
- Interviews with staff
- Policy, Procedure, Regulation, & Contract review
- Data extraction (PeopleSoft & PensionGold)
- Data validation & analysis (100% testing, mostly)
- Identification and confirmation of concerns

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Finding 1:

- Most personnel data, such as last name, first name, social security number, and birth date, are reliable for the 5,547 active pension plan members in PensionGold
- 7 Recommendations to improve enrollment data and associated business processes

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Finding 2:

- Duplicate member accounts in PensionGold cause operational inefficiencies and errors.
- 7 Recommendations to eliminate duplicate accounts and improve enrollment data and associated business processes.

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Finding 3:

- Most members were enrolled in the correct pension plan and tier. Some Tier 1 Classic members were not enrolled in the correct plan tier.
- 5 Recommendations to improve the process to enroll Tier 1 Class members.

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ORS Management's Response:

- ORS management agrees with all audit recommendations (Appendix 4).
- The IAD will follow up annually with ORS management and report on the status of audit recommendations.

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Final Slide

- **Questions/Comments**

- **Approval of Audit Report (Accept & File)**