



California Public Employees' Retirement System  
Office of Audit Services  
P.O. Box 942701  
Sacramento, CA 94229-2701  
TTY: (877) 249-7442  
(916) 795-0802 phone, (916) 795-7836 fax  
[www.calpers.ca.gov](http://www.calpers.ca.gov)

January 17, 2017

TO: CALPERS CONTRACTING AGENCIES

SUBJECT: CONTRACT MONITORING REVIEW

As part of CalPERS Board of Administration approved audit plan, the Office of Audit Services (OFAS) is performing a review of agencies with inactive rate plans. Your agency has been selected for review. The objective of the review is to determine the organizational structure and financial status of agencies with inactive rate plans.

Our review period is from the inception of the contract through June 30, 2016. In accordance with California Government Code Section 20222.5, we will need to review pertinent documents and records covering the review period. The results of our review will be communicated with a draft report. The draft report will be a communication of observations and provide an opportunity for response. Once we receive responses to all of the draft reports issued in this cycle, we will prepare a consolidated final report that summarizes the observations of all agencies reviewed and will include each agency's report as an attachment to the final report.

It is each agency's responsibility to ensure compliance with its contract and the Public Employees' Retirement Law (PERL). We will contact you to discuss the review objectives, necessary documentation, and on-site fieldwork.

Please share a copy of this letter with your Accounting and Human Resources Directors or offices to inform them of this review as soon as possible.

**In order to proceed with the review, we are requesting immediate attention to the following.**

Please provide:

- An employee roster of all CalPERS employees that were employed by your agency as of June 30, 2016. Please include the employees' name, CalPERS employee ID, position title, member category (miscellaneous, police-safety, fire-safety, etc.), birth date, date of hire, CalPERS membership date, separation date (if applicable) and bargaining unit.
- An organizational chart that identifies your department management by name.
- The Independent Auditor's Report and Financial Statements for Fiscal Years 2014-15 and 2015-16, or the last year prepared.

- Budget agenda and minutes presented to the Board for Fiscal Years 2014-15 and 2015-16, or the last year a budget was presented.

The type of additional information that we may request include, but is not limited to, the following:

- Written labor policies, pay schedules, and Board meeting minutes that approved and adopted the written labor policies and pay schedules in accordance with requirements of applicable public meeting laws.
- Any written policy, agreement, legislative action, contracts, and Board meeting minutes related to the review objective and changes to the agency's organizational structure since its contract date for CalPERS retirement benefits.
- Information from personnel files, payroll journals, copies of W-2s, Quarterly Contribution Return and Report of Wages (DE-9 form), and any other personnel or payroll records used to generate the payroll reports submitted to CalPERS.
- Any other information or documents deemed reasonably necessary to determine your agency's organizational structure, financial status, and retirement benefit status.

Government Code Section 20222.5 provides OFAS the authority to review agencies under contract with CalPERS and to assess a reasonable fee to recover the additional costs incurred when the time required to complete a review exceeds the estimated hours. Based on the agency's size, location and contract provisions, it is estimated that it will take between 80 to 100 hours to complete the review.

If you have any questions, please feel free to contact Diana Thomas at (916) 795-7062 or Marlene Noss at (916) 795-9552.

Sincerely,



Alan Feblowitz, CFE  
Assistant Division Chief  
CalPERS, Office of Audit Services