The background of the slide features a low-angle shot of the California State Capitol dome, showing its white columns and ornate architecture. Above the dome, the California state flag and the United States flag are flying on tall poles against a clear blue sky.

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# Surviving a CalPERS Agency Review

FEBRUARY 7-10, 2017

**VENTURE TO THE CAPITAL**

# Session Agenda

Objectives of a Public Agency Review

Review Process

Common Findings

Q & A

# Objectives of a Review

To ensure Public Agencies correctly enroll members and report compensation in accordance with:

- The Public Agency's contract with CalPERS
- Public Employees Retirement Law (PERL)

# Authority to Review

CalPERS Contract

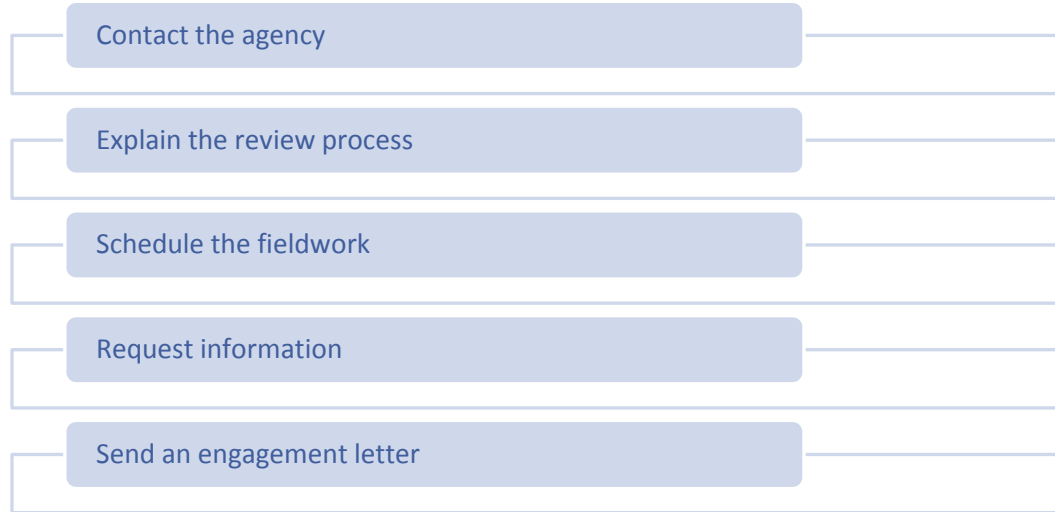
Audits-Employer Information

- California Government Code Section 20222.5

Confidentiality of Information

- California Government Code Section 20230

# Initiating the Review Process



# Documents Requested

Employee rosters including:

- List of current employees, part-time employees, temporary agency employees, independent contractors and retired annuitants

Payroll information including:

- Payroll journals
- Timesheets and electronic reports
- Pay schedules

Personnel files

- Personnel action forms

Written labor polices

- Memorandum of Understanding

Board minutes and resolutions

# Onsite Fieldwork

Entrance Conference

Review Agency records

Conduct meetings/interviews

Exit Conference

# Completing the Review

## Confer with CalPERS Program Areas

- Receive feedback
- Provide CalPERS program areas with information to facilitate finding resolution

## Perform Quality Review

- Passes through several levels of review including Chief Auditor

## Communication

- Keep the agency informed of any changes along the review process

## Prepare Draft Report

- Findings
- Recommendations
- Criteria – laws and regulations

## Issue Final Report

- Posted to CalPERS website

## Program Area Resolution



# Circular Letter 200-055-16

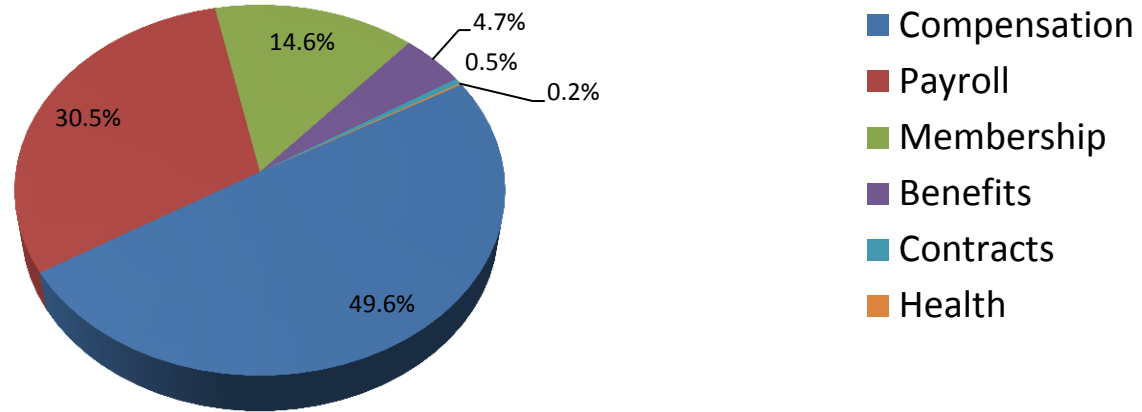
	Prior Review	Current Review
Review Selection	High-risk employers	High-risk compliance requirement
Selection Criteria	Multiple risk factors applied to employer population	Data analytics utilized to identify at-risk employers for the compliance requirement
Performance of Reviews	Reviewed multiple compliance requirements	Review a specific compliance requirement per cycle
Number Reviews	125 employers per fiscal year	4-6 review cycles and 60-80 employer each cycle per fiscal year
Review Results	Draft and final report to each employer	Draft to each employer and <u>one</u> final report with results of all employers reviewed



# Most Common Audit Findings

#CalPERSEdE

# FY 2015-16 Summary of Findings



# Common Audit Findings

Pay schedules

Special compensation

Retroactive adjustments

Membership

Hours per week

# Pay Schedules – CCR 570.5

For purposes of determining the amount of “compensation earnable” pursuant to Government Code Sections 20630, 20636, and 20636.1, payrate shall be limited to the amount listed on a pay schedule that meets all of the following requirements:

- Approved by the governing body

- Include all employee position titles

- Shows payrate for each position

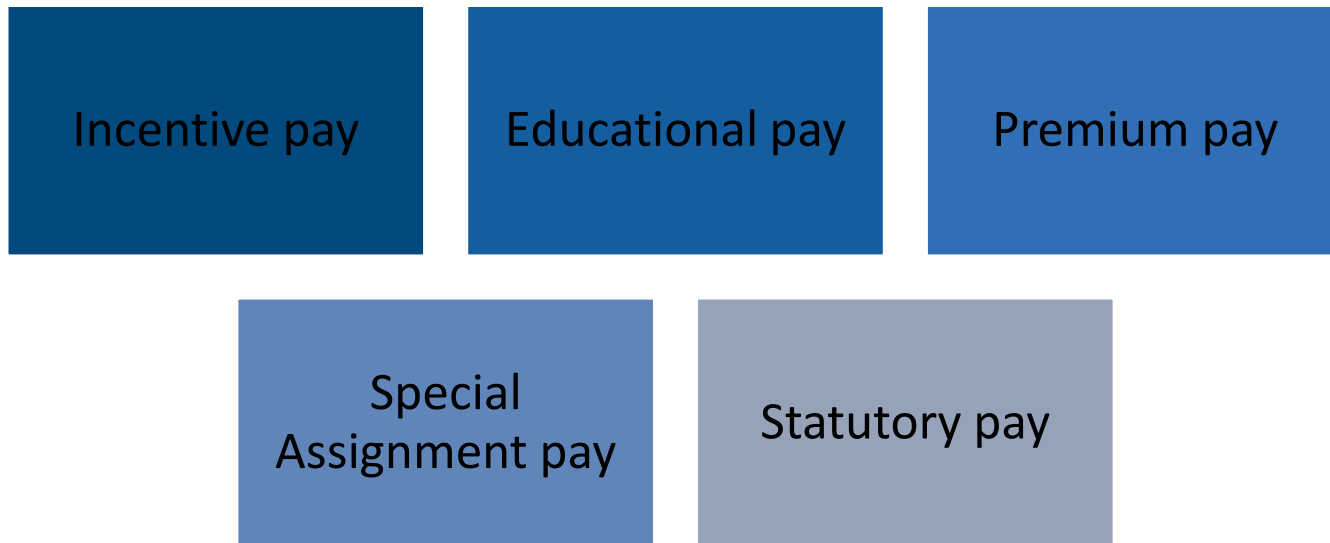
- Include time base

- Available for public review

- Indicates an effective date

- Does not reference another document

# Special Compensation – CCR 571



# Special Compensation

## Statutory items

- Holiday Pay
- Fair Labor Standards Act
- Uniform Allowance

# Special Compensation Reporting

Must be reported in my|CalPERS separate from base pay

Must be identified in my|CalPERS by type

Must be reported as earned

Must meet the definition in CCR 571



# Payroll - Retroactive Adjustments

Retroactive salary adjustments

Retroactive special compensation adjustments

- Reported using the correct transaction types
- Reported as earned

# Membership

Timely Enrollment

Independent Contractor vs. Employee

Working after Retirement

# Membership – Permanent Separations

Agencies are responsible to report permanent separations

- No longer working for the Agency
- Retired

# Hours per Week

The Agency reports incorrect number of hours worked per week

- Incorrect service credit
- Incorrect actuarial evaluations

# Resources

## Employer education

- <https://www.calpers.ca.gov/page/education-center/employer-education>

## Public Agency and Schools Reference Guide

## CalPERS Employer Compliance Reviews

- <https://www.calpers.ca.gov/docs/circular-letters/2016/200-055-16.pdf>

## Common audit findings circular letter

- <https://www.calpers.ca.gov/docs/circular-letters/2014/200-064-14.pdf>

## Administration of CalPERS Employer Compliance Reviews

- <https://www.calpers.ca.gov/docs/circular-letters/2016/200-025-16.pdf>

## Computer based training (CBTs)

## Student Guides

**888 CalPERS** (or **888-225-7377**)