

TAP Financials, LLP
TRAINING | ACCOUNTING | PERFORMANCE

Proposal

San Bernardino County
Employees' Retirement
Association

Agreed Upon
Procedures Reports

Due March 11, 2024

Point of Contact:
Greg Matayoshi
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Office Location:
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Suite 600
Pasadena, CA 91105-3712

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Transmittal Letter

TAP Financials, LLP
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117 East Colorado Blvd.
Suite 600
Pasadena, CA 91105-3712

March 10, 2024

San Bernardino County Employees' Retirement Association
348 W. Hospitality Lane, Suite 100
San Bernardino, CA 92408
Attn: Amy McInerny, Chief Financial Officer

Dear Ms. McInerny,

TAP Financials, LLP, a California certified public accounting company, is pleased to present our proposal to the San Bernardino County Employees' Retirement Association (SBCERA) to assist in the independent performance of three Agreed-Upon Procedures (AUPs) and the preparation of the reports.

TAP Financials will work collaboratively with the office of the Chief Financial Officer to develop the agreed upon procedures, implement the procedures, and produce the reports.

Our proposed work to assist the SBCERA Office of the Chief Financial Officer by conducting the independent AUP engagements will be performed in accordance with the AICPA Statement on Standards for Attestation Engagements, SSAE 19. The engagement will include the performance of specific procedures on the subject matters and report the findings, but not an opinion or conclusion on the subject matter.

The final report will include a statement that the procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purpose.

I will be the primary point of contact for this proposal and am authorized to contractually bind our company. We agree to the completion of all tasks outlined in this proposal. This proposal offer is valid for 120 days from the proposal due date. If you have questions, please contact me directly at 916.317.1235 or greg@tapfinancials.com.

Sincerely,



Gregory Matayoshi
Partner, TAP Financials, LLP

TAP Financials, LLP

Qualifications and Experience



TAP Financials, LLP, is a woman owned California certified public accounting company specializing in financial related auditing, data analytics, and financial management training.

With offices located in Pasadena, Sacramento, and the Washington D. C. area, TAP Financials was founded in 2019 to provide our clients with custom tailored audit approaches to meet agency needs. You can expect us to:

- Place your priorities first. We plan our work around your schedule.
- Listen. We accomplish what you hired us to do.
- Hold honest discussions.
- Serve as a resource. We will continue to support you when our contract ends.



TAP Financial auditors have extensive experience providing customized training to meet client individual needs. Examples of training topic areas provided by TAP Financial auditors includes:

- IIA Red Book and GAO Green Book on Internal Controls
- Organizational control environment, governance, and management’s responsibilities.
- The risk assessment process.
- Fraud identification and mitigation.
- Professional conduct and ethics.
- Fund accounting fundamentals.
- Components of a Comprehensive Annual Financial Report.
- Principles and practices of fiscal and policy analysis.



Advanced analytic techniques and the unambiguous graphical representation of findings are TAP Financials’ hallmarks. Our auditors have over 20 years’ experience analyzing complex data sets and then presenting findings in clear and understandable terms to government officials and executives.

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Auditing	<ul style="list-style-type: none"> ▪ Financial management and accounting process assessments ▪ Internal control auditing ▪ Contract auditing ▪ Pre-Award auditing ▪ Compliance auditing ▪ Fraud audits 	Our auditors have provided multiple types of auditing services to local, state, federal, and international government agencies, advancing our mission to promote good government and transparency. Services have been provided under the required standards per the American Institute of Certified Public Accountants, the Institute of Internal Auditors, Association of Certified Fraud Examiners, and the US Government Accountability Office, among others.
Data Analytics	<ul style="list-style-type: none"> ▪ Trend analysis ▪ ACL analysis ▪ SAS analysis ▪ Financial performance measurement ▪ Fiscal health analysis ▪ Fiscal forecasting 	We use advanced data analytics to identify what does and does not work, giving you the information you need to manage more effectively. Our analytics will not only influence how you make decisions, but also drive your performance. Areas that have been examined include cost accounting, trend analysis, forecasting, multi-variate analysis, regression analysis, and fiscal health analysis.
Financial Management Training	<ul style="list-style-type: none"> ▪ Accounting ▪ Financial statement audit analysis ▪ Fiscal health analysis ▪ Fiscal sustainability ▪ Fiscal forecasting 	All our training is customized to fit the unique needs of each client. Our auditors provide personalized training to improve performance and staff knowledge and skills in multiple format and presentation styles.

Our project team assigned to the SBCERA AUP engagement has completed the following sample of engagements. Additional samples and descriptions are available upon request.

Agency	Scope	Relationship to SBCERA’s Scope of Services	Outcome
California State Teachers’ Retirement System	Development of a quality assurance program manual and implementation plan for pension benefit disbursements, compliance, and reporting	<ul style="list-style-type: none"> ✓ Review and analysis of laws and regulations governing pension eligibility and payments ✓ Benefit calculation process review ✓ Identification and review of quality control practices ✓ Member database analysis and identification of accounts at higher risk for benefit miscalculations 	<ul style="list-style-type: none"> ✓ Development of Quality Assurance Program Manual ✓ Development of Quality Assurance Execution Guide
Sacramento Employees Retirement System	Examination of internal controls over financial management and payroll	<ul style="list-style-type: none"> ✓ Review of internal controls 	<ul style="list-style-type: none"> ✓ Recommendations to strengthen internal controls
Port of San Diego	Examination of controls used to ensure accurate, complete, and timely payroll processing across multiple pay	<ul style="list-style-type: none"> ✓ Review of payroll processes and internal controls ✓ Testing of pay amounts, including special pay categories across 	<ul style="list-style-type: none"> ✓ Identification of gaps in controls and risks to achieving 100 percent payroll accuracy

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	categories and bargaining units	<ul style="list-style-type: none"> multiple represented employee bargaining units ✓ Review of internal quality control processes ✓ Review of payroll reporting process 	<ul style="list-style-type: none"> ✓ Recommendations to improve payroll processes.
Navajo Nation	Performance audit of the Office of the Controller	<ul style="list-style-type: none"> ✓ Review of accounts payable processes and controls ✓ Testing of accounts payable transactions to ensure availability and accuracy of supporting documentation ✓ Review and testing of vendor contract management processes ✓ Review of payroll processes and controls used to ensure accuracy, completeness, and timeliness 	<ul style="list-style-type: none"> ✓ Recommendations to serve as a roadmap to transform the operations and culture of the Office of the Controller
Foothill Workforce Development Board	Performance audit to determine if internal controls are designed to promote compliance with financial provisions	<ul style="list-style-type: none"> ✓ Assess internal controls for payables and disbursements ✓ Testing of payment transactions for compliance with governance requirements 	<ul style="list-style-type: none"> ✓ Identification of gaps in controls used to ensure adherence to payment policies
County of Sonoma	Audit of County payroll process, reviewing payment and reporting activities and identifying opportunities for improvement	<ul style="list-style-type: none"> ✓ Assess County payroll process internal controls ✓ Review payroll reports, reconciliation documents and system generated exception reports ✓ Conduct general controls review of electronic systems to assess potential risks to accuracy, integrity, and reliability of payroll information ✓ Assess payroll accuracy through examining key metrics 	<ul style="list-style-type: none"> ✓ Identification of gaps in controls used to ensure adherence to payment policies ✓ Development of recommendations to address gaps in payroll process controls
CA Law School (confidential)	Business office improvement plan	<ul style="list-style-type: none"> ✓ Evaluate the internal controls within the business office's functions such as accounts payable and payroll 	<ul style="list-style-type: none"> ✓ Development of the business office process improvement plan
City of Santa Clara	Contract close-out review	<ul style="list-style-type: none"> ✓ Review of expenditures over two fiscal years to determine compliance with contract terms and conditions ✓ Review of internal controls for accounts payable transactions 	<ul style="list-style-type: none"> ✓ Confidential

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Team Organization

We propose a five-member project team to complete the scope of work.

Our team is comprised of:

- Greg Matayoshi, Partner, TAP Financials, LLP – who will lead serve as the firm’s point of contact and engagement manager.
- Denise Callahan, Partner, TAP Financials, LLP – who will serve as the firm’s lead auditor.
- Kate Kousser, Subcontractor, TAP International, who will serve as a senior consultant, assisting with planning, coordinating and implementing the agreed-upon procedures.
- Dina Holinka, Subcontractor, Athena Consultant, who will be the project subject matter expert.
- Mary Kelly, CPA, Partner, TAP Financials, LLP – who will provide final quality assurance review of all audit working papers.

Cumulatively, our project team brings over 100 years of auditing experience.

How the Fraud Investigation Will be Organized

Project Team Member	Expected Engagement Responsibility
Greg Matayoshi, CISA	Primary point of contact, project manager, implement agreed-upon procedures, develop reports.
Denise Callahan, MPA	Implement agreed-upon procedures, develop reports.
Kate Kousser, CFE	Implement agreed-upon procedures, develop reports.
Dina Holinka	Provide as-needed subject matter expertise.
Mary Kelly, CPA	Perform quality assurance review of procedures and reports.

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Resumes

Gregory Matayoshi, CISA

Role: Project Manager

Qualifications and Background

Greg is an experienced project manager, auditor, and certified information systems analyst with over 25 years of professional experience. Specifically, Greg has conducted or managed over 125 studies of state and local governments. Clients have included cities, counties, health care facilities, state-level departments, retirement systems, special districts, and transportation authorities.

Greg performs business process reviews, internal control evaluations, financial analysis, transaction testing, contract compliance, information system audits, forecasting, and trend analysis.

Licenses, Certifications, and Education

Education

- Master of Business Administration (MBA), Finance and IT Management, University of CA, Davis
- Bachelor of Science, Mechanical Engineering, University of CO, Boulder
- Certified Information System Auditor (CISA)

Professional Associations

- Member and past President, Association of Government Accountants, Sacramento Chapter
- Member: ISACA Sacramento Chapter
- Member: IIA Sacramento Chapter

Relevant Experience

Port of San Diego: Conducted performance audit of the payroll process and controls to ensure timely, accurate, and complete processing. The audit included testing of payroll transactions from 287 employees covering six special pay categories and multiple bargaining units.

California State Teachers' Retirement System: Developed a quality assurance program manual and implementation plan for pension benefit disbursements, compliance, and reporting.

Navajo Nation Office of the Controller: Conducted comprehensive performance audit of the Office, covering operational areas such as accounts payable and payroll.

City of Los Angeles: Conducted comprehensive review of billing and collection processes of 16 City Departments to identify sufficiency of internal controls and opportunities for centralization and automation.

City of Sacramento: Conducted performance audit of the Public Utilities Department's billing and collections business processes, including a rate study. The work included use of data analytics to assess the proper application of rates applied to customers, and reconciliation of customer charges to amounts payments, discounts, and exemptions of fees.

Omnitrans: Review of transit agency operations, including financial management, procurement, and information management. The review examined contractor billing activities and tested internal controls to ensure proper management review and evidentiary support of contractor invoices.

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Denise Callahan, MPA

Project Job Title: Lead Auditor

Qualifications and Background

Denise is a partner with TAP Financials and has 33 years of auditing and assurance experience of public sector services. Formerly a project manager with the U.S. Government Accountability Office, Denise has conducted over 250 evidence-based and independent audits and evaluations.

Licenses, Certifications, and Education

Education

- University of Southern California, Master - Public Administration
- University of Southern California BA – Political Science
- University of San Francisco, SAS Analytics

Professional Associations

- Member and past President, Association of Government Accountants, Sacramento Chapter
- Member: ISACA Sacramento Chapter
- Member: IIA Sacramento Chapter

Relevant Experience

Port of San Diego: Conducted performance audit of the payroll process and controls to ensure timely, accurate, and complete processing. The audit included testing of payroll transactions from 287 employees covering six special pay categories and multiple bargaining units.

California State Teachers' Retirement System: Developed a quality assurance program manual and implementation plan for pension benefit disbursements, compliance, and reporting.

Navajo Nation Office of the Controller: Conducted comprehensive performance audit of the Office, covering operational areas such as accounts payable and payroll.

City of Fresno: Served as project manager that conducted comprehensive review of 16 city department's preparation, issuance, and handling of payments. The objective of the performance audit was to assess billing process efficiency and effectiveness. The results of the audit led to recommendations to increase automation of billing and payment processing activities.

City of Los Angeles: Assisted with comprehensive review of billing and collection processes of 16 City Departments to identify sufficiency of internal controls and opportunities for centralization and automation.

Santa Clara Valley Water District: Served as project manager that conducted fraud investigation of purchasing department, examining buyer-vendor relationships, discount pricing review and approval, and testing of internal controls. The audit led to full realignment and decentralization of procurement activities to applicable departments.

City of Lodi: Examined billing and collection activities of public utility services, which included IT testing of controls, use of WINIDEA for data analytics, and interviews.

LA Metropolitan Transportation Agency: Served as project manager that conducted comprehensive contract review of over \$287M capital project of 1 prime contractor, and 10 subcontractors for proper invoicing per contractor terms and conditions.

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Kate Kousser, CFE

Project Job Title: Team Auditor

Qualifications and Background

Kate has more than 25 years of experience as a management consultant and auditor. She has a proven ability to identify problems, develop solutions using quantitative and qualitative analysis as well as expertise on a broad range of policy issues. Kate has conducted over 50 projects involving internal controls, financial analysis, performance measurement, and contract compliance. Her skill set specializes in data analytics, statistical analysis, project design and implementation, and report writing.

Licenses, Certifications, and Education

Education

- University of California Berkeley, Master – Public Policy
- Boston College, BA – Political Science
- Association of Certified Fraud Examiners, CFE

Professional Associations

- Institute of Internal Auditors, member
- Association of Certified Fraud Examiners, member

Relevant Experience

Port of San Diego: Conducted performance audit of the payroll process and controls to ensure timely, accurate, and complete processing. The audit included testing of payroll transactions from 287 employees covering six special pay categories and multiple bargaining units.

Navajo Nation Office of the Controller: Conducted comprehensive performance audit of the Office, covering operational areas such as accounts payable and payroll.

City of Los Angeles: Assisted with comprehensive review of billing and collection processes of 16 City Departments to identify sufficiency of internal controls and opportunities for centralization and automation.

City of Pasadena: Lead investigator on improper billing and collection allegations.

Bay Area Rapid Transit: Assisted lead fraud examiner on an investigation of allegations of improper contractor invoicing

Santa Clara Valley Water District: Conducted fraud investigation of purchasing department, examining buyer-vendor relationships, discount pricing review and approval, and testing of internal controls. The audit led to full realignment and decentralization of procurement activities to applicable departments.

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Dina M. Holika, CPA

Project Job Title: Senior Auditor, Subject Matter Expert (subcontractor)

Qualifications and Experience

Dina Holinka, CPA brings over 20 years of experience assisting clients in resolving accounting and business issues. Dina previously worked in public accounting, focusing on nonprofit and government services. Dina has strong analytical and interpersonal skills and has proven to be a great year-round resource for clients. She possesses strong GAAP, GAAS, and GAGAS expertise, including in engagements in accordance with FAR and 2 CFR Part 200.

Her experience includes consulting and assurance work for various types of for profit and nonprofit entities including contribution based, fundraising and membership organizations, higher education, and special purpose governmental organizations. Dina has extensive experience in external audit, operational and internal control reviews. Having clients in audit and related consulting services, she has used her accounting knowledge to assist organizations in evaluating and updating their internal controls, specifically focusing on accounting and compliance operations. She has developed and conducted training for staff, as well as clients, on various compliance and financial audit topics.

Dina has years of experience in performing tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements. This also included consideration of internal control over compliance with the types of requirements that could have a direct and material effect on each major federal programs. This consideration includes interviews with staff, observation, and test of the effectiveness of the internal controls. Examples of the federal programs include the TRIO Cluster, Research and Development Cluster, and Student Financial Aid cluster of Federal programs.

Dina has performed attest engagements (financial statement audits, compliance audits, agreed upon procedures) for the following entities which included evaluating internal controls and business operations.

Education and Certifications

Education and License

- Bachelor of Business Administration in Accounting, University of Notre Dame, Notre Dame, IN
- Certified Public Accountant

Professional Associations

- Member, American Institute of Certified Public Accountants
- Member, California Society of Certified Public Accountants
- Member, New York State Society of Certified Public Accountants (NYSSCPA)
- Member, Government Accounting & Auditing Committee of NYSSCPA
- Member, Not-for-Profit Organizations Committee of NYSSCPA

Accomplishments

- Articles, Speaking Engagements, etc.
- GAGAS Yellow Book A-133 Update, MGO Client Training, August 2013
- Uniform Grant Guidance, CalCPA San Diego Chapter, June 2014
- GAGAS Yellow Book A-133 Update, September 2014
- How to Prepare for an Efficient Audit, June 2015
- What is a Risk Assessment? Client Training, January 2016
- Developing a Fraud Risk Assessment, NAFOA, September 2016

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Mary Kelly, CPA

Project Job Title: Project Quality Assurance

Qualifications and Experience

Mary is the managing partner of TAP Financials and brings over 30 years' experience in high level administrative and policy related decision making. Mary has been a Certified Public Accountant since 1995. Her licensure and training for 25 years ensure the application of professional and technical standards, and unbiased fiscal analysis. In her myriad roles, Mary has gained experience in the areas of financial evaluation; program evaluation; policy formulation; budget development and enactment and the principles and practices of public administration and public finance. Work history examples include:

Executive Officer, Education Audit Appeals Panel, March 2011 to 2020

Evaluate appeals of financial and compliance audits filed by school districts and county offices of education; develop, establish, and promulgate regulations; develop and make policy recommendations to the Panel; receive, review, and process appeals and maintain records of actions taken by the Panel; direct Panel meetings according to the Brown Act; and supervise and direct staff.

Chief Deputy Inspector General, Office of the Governor, June 2009 to March 2011

Managed the administrative and program activities of the Governor's Office of Inspector General, including budget, human resources, and contract management. Represented the Inspector General at legislative hearings, and served as a liaison between federal, state, and local governments on interjurisdictional issues. Directed auditors and evaluators charged with reviewing, examining, and assessing state activities and financial records to make recommendations to reduce or eliminate fraud, waste, and abuse of resources.

Manager, Department of Finance, April 1993 to May 2009

Developed annual work plan; assigned staff to projects; provided direction, supervision, and leadership over the program of audits, evaluations, and special studies of governmental entities. Reviewed and signed audits performed in compliance with standards. Prepared, defended, and enacted the annual support and capital outlay budgets of multiple state agencies. Utilized forecasting techniques and statistical principles and procedures. Managed contracts and implemented personnel policies and laws including collective bargaining, grievance procedures and equal employment opportunity objectives.

Mary has also conducted various professional training classes covering multiple professional standards topics:

GAO's Green Book on Internal Controls: Course that explores an organization's system of internal controls, including the definition of system of internal control, management's responsibilities and the five components of internal control. The five components explored include: control environment, risk assessment, control activities, information and communication, and monitoring.

Control Environment: Course designed to discuss management's responsibilities for internal control and governance, including: demonstrate commitment to integrity and ethics, "Tone at the Top", oversee the internal control system, establish structure, assign responsibility and delegate authority, recruit, develop and retain competent individuals and enforce accountability.

Education

- University of Southern California, Master Public Administration
- California State University Fullerton, Bachelor of Arts Degree, Business Administration

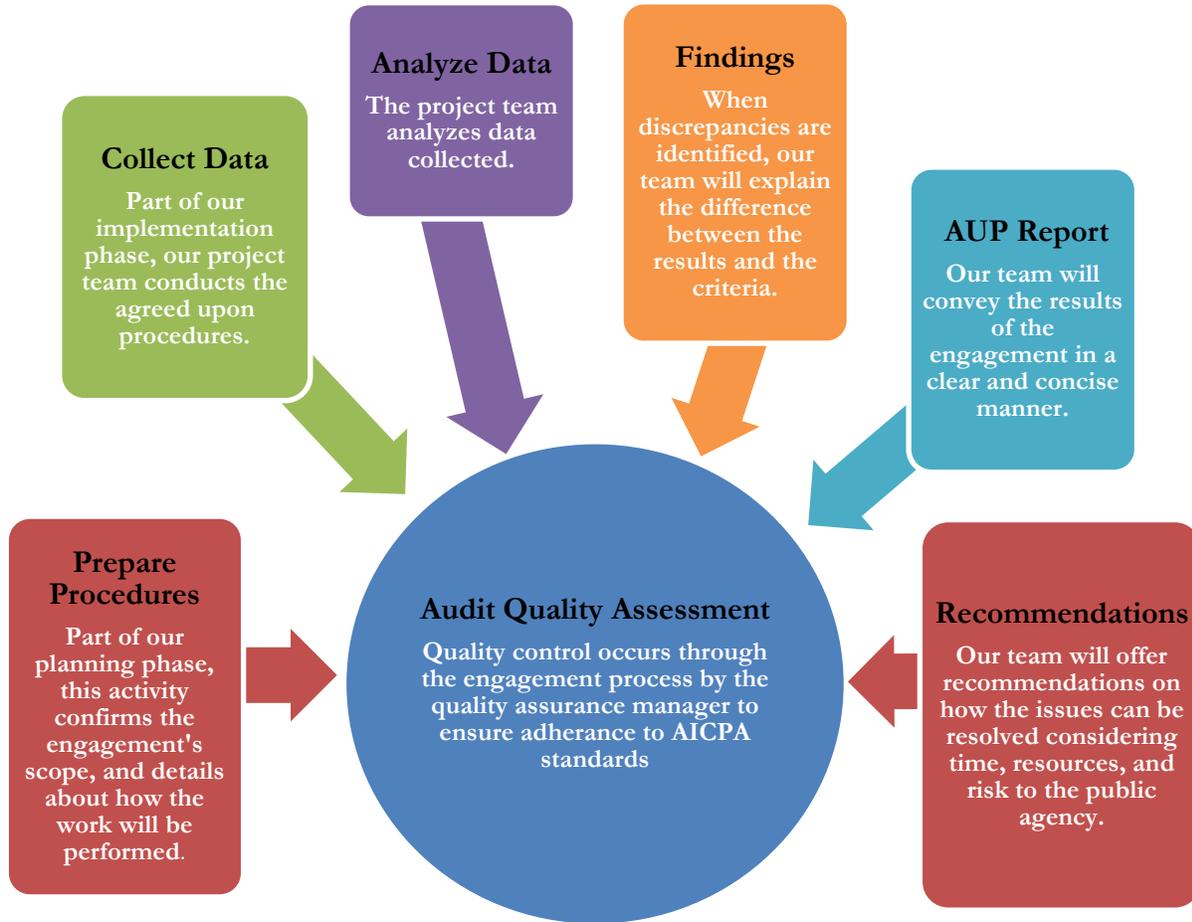
Certifications and Licenses

- Certified Public Accountant
- Certified Governmental Financial Manager

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Scope of Work

TAP Financials illustrates our overall approach to conducting the AUP engagements:



The following section describes our general approach for the AUPs.

Our Approach

We will conduct the review in three phases – planning, data collection and analysis, and reporting. The specific work steps we propose taking to complete the review are described below.

PHASE 1: ENGAGEMENT PLANNING

Deliverables:
Agreed Upon Procedures

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Phase 1: Planning

The planning phase helps ensure the successful outcome of the engagements by providing the opportunity to reach mutual agreement on expectations. We plan to conduct a “virtual” kick-off meeting between TAP Financials and the SBCERA Office of the Chief Financial Officer. The purpose of these meetings will be to ensure mutual understanding of the project objectives, procedures, and timing for the three areas:

1. Benefits and Customer Service – Death Benefit Processes, Payments to Beneficiaries, and Member Death Verification
2. Financial Operations – Accounts Payable
3. Financial Operations – Payroll Process

TAP Financials will develop preliminary procedures to address each of the three engagement areas. We anticipate the procedures will include, but not be limited to the following for each of the tasks:

Benefits and Customer Service – Death Benefit Processes, Payments to Beneficiaries, and Member Death Verification

- Obtain the stated processes for the death benefit process, beneficiary payments, and member death notification.
- Obtain the database of member death notifications and the source information (electronic copies). This will require coordination with the outside contractor responsible for data integrity.
- Select a random sample of up to 33 death notifications for the prior 12 months and assess that the stated processes were followed.
- Record the member date of death, date Benefits and Customer Service received the death notification, the date data was recorded into the electronic database, and the date survivor benefit were issued or initiated for:
 - Nonservice-related deaths
 - Optional death allowance
 - Modified optional death allowance
 - Death benefit (lump sum payment)
 - Survivor benefit and burial allowance
 - Service-related death benefit
 - Any addition death benefits for safety members
- Identify any discrepancies between information contained in the notification source and the electronic system data entry for the dates recorded.
- Determine the time needed for data entry after notification is received and verified.
- For each of the samples selected, recalculate, per Benefits and Customer Service policies and procedures, the survivor payments and compare to actual payments made.
- Summarize findings.

Financial Operations – Accounts Payable

- Obtain the stated processes for vendor payment processing.
- Obtain the database of vendor payments for the prior 12 months.

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- Select a random sample of up to 33 vendor payments and obtain the hardcopy (or electronic copies) of the documentation supporting the receipt of goods or services and authorization for payments and assess that the stated processes were followed.
- Identify discrepancies between the dates recorded in the electronic system and the hardcopy or electronic documentation.
- Determine the time needed to issue payment for each of the samples once the goods or services have been received and once the authorization for payment has been made.
- Summarize findings.

Financial Operations – Payroll Process

- Obtain the stated processes for payroll processing.
- Obtain the database of employee payroll transactions for the prior 12 months.
- Select a random sample of up to 23 employees and select a payroll period for each of the employees such that it covers at least one of each of the prior payroll periods and assess that the stated processes were followed.
- Re-calculate the employee's pay based on the employee pay scale, employment contract, and/or bargaining agreement. This should include any special pay categories such as vacation, sick leave, family leave, etc.
- Compare the re-calculated pay amounts to the actual amount paid to each of the sampled employees.
- Summarize results.

TAP Financials will confer with the Office of the Chief Financial Officer to review and update the procedures, as needed, to meet SBCERA objectives.

An opening conference will then be scheduled with the Office of the Chief Financial Officer and stakeholders in Financial Operation and Benefits and Customer Service. Specific agenda items for these meetings will include:

- Introductions of team members and discussion of specific roles and responsibilities on the project.
- Presentation of our objectives and discussion and agreement of procedures.
- Project timelines.
- Discussion of data request.
- SBCERA contacts for the death benefit process, accounts payable processing, and payroll processing.
- Discussion on critical success factors and communication strategy.
- Discussion and identification of current challenges.

Key Tasks to be Implemented:

Task 1: Review all related prior audit and attestation reports.

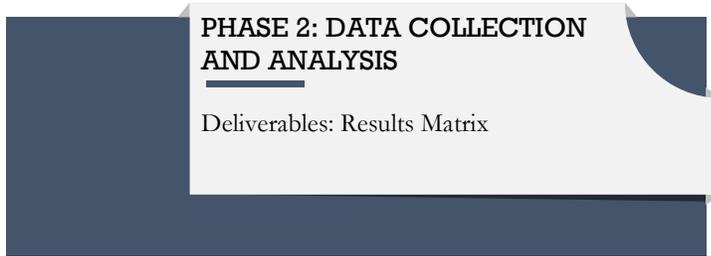
Task 2: Develop and reach agreement on the proposed procedures.

Task 3: Prepare kick off agenda.

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Task 4: Conduct kick off meeting.

Task 5: Implement audit risk assessment.



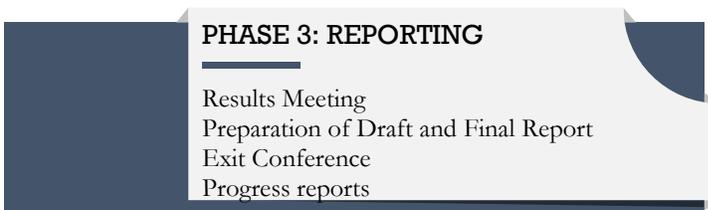
TAP Financials may implement multiple methods of qualitative and quantitative data collection and analysis per the agreed-up procedures. The use of multiple methods such as interviews, data analysis, and transaction testing will allow us to support and to verify our findings as well as to assess their significance.

Key Tasks Expected to be Implemented:

Task 1: Confirm the objectives of each of the three scopes of work.

Task 2: Implement the selected procedures for each of the three areas.

Task 3: Complete working paper summary to document the results of work performed.



We will meet with the SBCERA Office of the Chief Financial Officer and stakeholders to conduct a Results Meeting to discuss the findings and preliminary recommendations. Having this meeting before a draft report is issued will provide the opportunity for the stakeholders to provide additional information or to clarify any information provided to us during the data collection and analysis phase of this audit.

We will prepare a draft report in a format that is clear, concise, fact-based, and balanced. Our reports will be easily understood, defensible, and can withstand peer or key stakeholder scrutiny. This draft report will be provided to the auditee for comment. Where applicable, the draft report will be updated if sufficient evidence provided by the auditee supports the modification.

Quality Assurance Review

Our internal quality control system ensures that our work meets IIA and GAGAS standards. Our engagement partner will conduct a quality assurance review of the draft report.

Key Tasks to be Implemented:

Task 1: Conduct results meetings.

Task 2: Prepare draft audit report.

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Task 3: Perform quality assurance review of the draft report.

Task 4: Submit draft audit report to the SBCERA Office of the Chief Financial Officer for review and comment.

Task 5: Conduct exit conference.

Task 6: Prepare and submit final audit report.

Other Reporting Activities

Progress Reporting

Our project team will provide bi-weekly progress reports to SBCERA staff throughout the project to ensure they are fully informed of our work as it progresses and any issue we encounter in order to ensure there are no surprises. The content of the progress report will include:

- Activities in progress/completed in comparison to our project work plan and schedule.
- Activities to be completed in the next two weeks.
- Preliminary issues.
- Issues that need immediate attention that may impact the project schedule.
- Resolution of previously reported issues.

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Schedule of Rates

TAP Financials developed a price proposal that we believe is reasonable given the scope of work and our prior experience. TAP Financials describes below the considerations that we applied in preparing our cost estimate.

- The work will need to be completed by July 31, 2024 and will not require significant “down time” waiting for information from the project stakeholders.
- Up to two trips to SBCERA offices will be required. Otherwise, the engagement will be conducted remotely.
- Hourly rates are fully burdened and include expected travel and overhead costs.
- Allocation of hours between positions and scope areas may be changed so long as the total contract amount remains the same.
- If unforeseen circumstances arise and additional work is required necessitating additional hours, TAP Financials will confer with the Office of the Chief Financial Officer before continuing the work.

Scope Area: Benefits and Customer Service - Death Benefit
Processes - Payments to Beneficiaries and Member Death
Verification

Phase: Planning

Position	Hours	Rate	Amount
Project Manager	16	195	3,120
Lead Auditor, Sr. Auditor	16	195	3,120
Quality Assurance	8	210	1,680
Subject Matter Expert	8	210	1,680
Sub Total			9,600

Phase: Implementation

Position	Hours	Rate	Amount
Project Manager	64	195	12,480
Lead Auditor, Sr. Auditor	128	195	24,960
Quality Assurance	24	210	5,040
Subject Matter Expert	8	210	1,680
Sub Total			44,160

Phase: Report Development

Position	Hours	Rate	Amount
Project Manager	24	195	4,680
Lead Auditor, Sr. Auditor	24	195	4,680
Quality Assurance	8	210	1,680
Subject Matter Expert	2	210	420
Sub Total			11,460

SCOPE AREA TOTAL 65,220

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Scope Area: Financial Operations - Accounts Payable

Phase: Planning

Position	Hours	Rate	Amount
Project Manager	16	195	3,120
Lead Auditor, Sr. Auditor	16	195	3,120
Quality Assurance	8	210	1,680
Subject Matter Expert	2	210	420
Sub Total			8,340

Phase: Implementation

Position	Hours	Rate	Amount
Project Manager	40	195	7,800
Lead Auditor, Sr. Auditor	80	195	15,600
Quality Assurance	24	210	5,040
Subject Matter Expert	4	210	840
Sub Total			29,280

Phase: Report Development

Position	Hours	Rate	Amount
Project Manager	24	195	4,680
Lead Auditor, Sr. Auditor	24	195	4,680
Quality Assurance	8	210	1,680
Subject Matter Expert	2	210	420
Sub Total			11,460

SCOPE AREA TOTAL 49,080

Financial Operations - Payroll Process

Phase: Planning

Position	Hours	Rate	Amount
Project Manager	16	195	3,120
Lead Auditor, Sr. Auditor	16	195	3,120
Quality Assurance	8	210	1,680
Subject Matter Expert	2	210	420
Sub Total			8,340

Phase: Implementation

Position	Hours	Rate	Amount
Project Manager	48	195	9,360
Lead Auditor, Sr. Auditor	96	195	18,720
Quality Assurance	24	210	5,040
Subject Matter Expert	4	210	840
Sub Total			33,960

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Phase: Report Development

Position	Hours	Rate	Amount
Project Manager	24	195	4,680
Lead Auditor, Sr. Auditor	24	195	4,680
Quality Assurance	8	210	1,680
Subject Matter Expert	2	210	420
Sub Total			11,460
SCOPE AREA TOTAL			53,760
TOTAL - THREE SCOPE AREAS			168,060

Project Proposed Timeline

Timeline: Three Areas Conducted Concurrently	
Estimated Start Date	04/04/24
Planning Phase Completed	05/03/24
Completion of Data Collection and Analysis	06/30/24
Reporting Phase Completed	07/31/24

Virtual Working Environments and COVID-19 Pandemic Precautions

Over the past five years, TAP Financials’ team has worked extensively in virtual environments (phone, videoconference, electronic document filing, project management) to complete our work in an efficient and cost-effective manner. Our team members are very experienced at conducting fact-gathering interviews over the phone or through video conference across multiple platforms. Our flexibility to operate in a virtual environment and onsite has allowed us to complete project deliverables on time and help our clients meet their goals. TAP Financials will comply with all SBCERA policies and mandates regarding COVID-19 safety procedures.

When needed, TAP Financials can work onsite and comply with SBCERA policy and Public Health mandates.

Confidentiality

TAP Financials will conduct ourselves and structure our work to preserve the confidentiality of the information. We are known to work fast and discreetly without disrupting the normal course of business.

TAP Financials will not release to any person outside of SBCERA any documentation or information regarding the progress or results of the engagement.