



INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Debby Cherney, Chief Executive Officer
Amy McInerney, Chief Financial Officer
San Bernardino County Employees' Retirement Association
348 W. Hospitality Lane, Suite 100
San Bernardino, California 92408

Dear Ms. Cherney and Ms. McInerney:

We have performed the procedures enumerated below related to San Bernardino County Employees' Retirement Association's (SBCERA) compliance with the requirements in Attachment A during the year of July 1, 2019, to June 30, 2020. SBCERA's management is responsible for its compliance with those specified requirements.

SBCERA's management has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting users in determining whether SBCERA complied with the specified requirements. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated results, with our recommendations, are described in **Attachment A**. Management's responses are described in **Attachment B**.

We were engaged by SBCERA's management to perform this agreed-upon procedures engagement and we conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with the specified requirements. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of SBCERA's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads 'Brown Armstrong Accountancy Corporation'. The signature is written in a cursive, flowing style.

Bakersfield, California
November 8, 2021

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SAN BERNARDINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION ATTACHMENT A – AGREED-UPON PROCEDURES FOR THE FISCAL YEAR ENDED JUNE 30, 2020

The procedures described below were applied separately to each of the active and decedent participant populations provided by SBCERA for the year ended June 30, 2020. Based on the steps outlined in the proposal, a representative sample size of one hundred and fifty participants each for active and decedent populations was selected to perform agreed-upon procedures.

Our results and findings with our recommendations are as follows:

AUP-1: Benefits and Customer Service – Accuracy of Member Information

Active Participant Data

- A. Traced demographic data, such as birth, hire, and entry dates, and termination dates to electronic personnel files. We used the dates to recalculate entry age and service years.

Findings: During our testing of active participants, we noted:

- One out of the one hundred and fifty participants tested had an erroneous date birth date listed on their enrollment affidavit. As such, we were unable to validate the demographic data to the pension system.
 - **Recommendation:** We recommend that a second individual review each participant's demographic information after it has been entered into the pension system to verify its accuracy. Additionally, we recommend that both the individual who entered the data and the person who reviewed the data sign off on the affidavit to serve as an audit trail.
- Six out of the one hundred and fifty participants tested were retired or terminated during the year but remained in active status in the pension system.
 - **Recommendation:** We recommend that an individual be assigned to review each participant's employment status periodically after the payroll data has been updated in the pension system following the payroll run to verify its accuracy.

- B. Traced the basis for each employee's contribution rate to the annual approved rate by membership category and tier.

Result: No exceptions noted during our testing.

- C. Re-computed the contribution deductions of each employee and traced the contributions from individual participant accounts to the deductions in Pension Gold.

Result: No exceptions noted during our testing.

- D. Re-computed the employer contributions and traced the contributions from individual participant accounts in Pension Gold.

Result: No exceptions noted during our testing.

Specific to New Members

- E. Verified that each participant met eligibility requirements to enter the plan, done so by verifying each participant is in a permanent position and works at least half time or 20 hours weekly.

Result: No exceptions noted during our testing.

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- F. Verified that each member filed their Enrollment Affidavit to show acceptable proof of demographics.

Finding: Twenty-five out of the one hundred and fifty participants tested were new members. Five out these twenty five new members did not have an "Enrollment Affidavit" present on their files in Pension Gold.

- **Recommendation:** We recommend that SBCERA create a checklist for new members and ensure that two individuals are required to sign it once it is complete. The checklist should be kept in each participant's file as an audit trail. If SBCERA does not have the affidavit at the time the participant is added into the system from the payroll import, we recommend that an individual be assigned to monitor and follow up with the participant every 30 to 60 days until the documentation is complete. Additionally, SBCERA can discuss with their IT department the possibility of adding a ticker or alter add-in to participants' accounts to alert member services of participants with missing documentation.

- G. Verified that the contributions were withheld from the first paycheck as set forth in the County Employees Retirement Law of 1937 (1937 Act) Regulations via Pension Gold.

Result: No exceptions noted during testing.

- H. If the participant is 60 years of age or older, confirmed that the participant was counseled as to the choices available with regards to membership into the plan or waiving the benefits by opting out and signing the waiver as per Section 31552 of the 1937 Act.

Result: No exceptions noted during testing.

Specific to Participants Who Purchase Prior Service Credit

- I. Traced purchase amount in Pension Gold to signed contract, service purchase estimate, and/or completion letter.

Result: No exceptions noted during our testing.

- J. Traced amount from supporting documentation above to a copy of the wire, check received from the participant, and/or additional payment from biweekly pay.

Result: No exceptions noted during our testing.

AUP-2: Benefits and Customer Service – Death Benefit Processes – Payments to Beneficiaries and Member Death Verification

Decedent Participant Data

- A. Reviewed beneficiary/survivor's marriage license and/or birth certificate to verify the relationship to the deceased.

Findings: During our testing of deceased participants, we noted:

- Twenty-three out of the one hundred and fifty decedents selected for testing did not have their death benefits paid to their beneficiaries, as none of the applicable death verification documents required to process the benefit payments to the beneficiaries had been received by SBCERA. We noted a lack of attempts to contact the beneficiaries by SBCERA to obtain the documents.

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- **Recommendation:** We recommend that SBCERA implement a procedure requiring member services to follow up with beneficiaries every 30 days and make a minimum of two to three attempts. The communication attempts should be tracked on an internal log and the communication letters in each participant's file.
 - Twenty-seven out of the one hundred and fifty decedents selected for testing did not have either a marriage or birth certificate in Pension Gold for the beneficiaries receiving their death benefits.
 - **Recommendation:** We recommend that SBCERA implement a procedure requiring member services to create a checklist to help track the documentation within each participant's file. Additionally, we recommend SBCERA follow up with beneficiaries every 30 days and make a minimum of two to three attempts to obtain missing documents. The communication attempts should be tracked on an internal log and the communication letters in each participant's file.
 - Three out of the one hundred and fifty decedents selected for testing did not have their benefits processed and paid to their beneficiaries despite all the applicable beneficiary documents being located in Pension Gold.
 - **Recommendation:** We recommend that SBCERA implement a procedure to create an internal log to help member services track the documentation and pay out process for each decedent. We recommend that supervisors review the logs periodically to ensure the files are being tracked.
 - One out of the one hundred and fifty decedents selected for testing was a beneficiary receiving benefits from another participant. We were unable to verify if this beneficiary was receiving the correct benefit payments from the participant, as we were unable to locate the participant's file in Pension Gold.
 - **Recommendation:** We recommend that SBCERA correct this account. Going forward, we recommend SBCERA implement a procedure to ensure proper internal controls are in place for all decedent participant accounts, including, but not limited to, having a two-person review process in which the reviewer inspects the file after it has been created. During the review process, the file should be checked for decedent documentation and ensure the beneficiary information agrees to the beneficiary(ies) listed in each participant's file.
- B. If the surviving beneficiary is less than 18 years old, verified court documentation to identify and verify the legally-appointed guardian.

Results: Reviewed the ages of all participants' beneficiaries and noted that only one beneficiary was under the age of 18. No exceptions noted during testing.

- C. Review copies of the completed "Death Benefit Election Forms," signed and returned by the beneficiaries, in the Pension Gold Imaging system.

Findings: During our testing of deceased participants, we noted:

- Twenty-three out of the one hundred and fifty decedents selected for testing did not have their death benefits paid to their beneficiaries, as none of the applicable death verification documents required to process the benefit payments to the beneficiaries had been received by SBCERA. We noted a lack of attempts to contact the beneficiaries by SBCERA to obtain the documents.
 - **Recommendation:** We recommend that SBCERA implement a procedure requiring member services to follow up with beneficiaries every 30 days and make a minimum of two to three attempts. The communication attempts should be tracked on an internal log and the communication letters in each participant's file.
- Three out of the one hundred and fifty decedents selected for testing did not have their benefits processed and paid to their beneficiaries despite all the applicable beneficiary documents being located Pension Gold.

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- **Recommendation:** We recommend that SBCERA implement a procedure to create an internal log to help member services track the documentation and pay out process for each decedent. We recommend that supervisors review the logs periodically to ensure the files are being tracked.
 - One out of the one hundred and fifty decedents selected for testing was a beneficiary receiving benefits from another participant. We were unable to verify if this beneficiary was receiving the correct benefit payments from the participant, as we were unable to locate the participant's file in Pension Gold.
 - **Recommendation:** We recommend that SBCERA correct this account. Going forward, we recommend SBCERA implement a procedure to ensure proper internal controls are in place for all decedent participant accounts, including, but not limited to, having a two-person review process in which the reviewer inspects the file after it has been created. During the review process, the file should be checked for decedent documentation and ensure the beneficiary information agrees to the beneficiary(ies) listed in each participant's file.
- D. Verified Death Certificates were obtained prior to disbursement to the elected beneficiaries. Viewed in Pension Gold Imaging system.

Findings: During our testing of deceased participants, we noted:

- Twenty-three out of the one hundred and fifty decedents selected for testing did not have their death benefits paid to their beneficiaries, as none of the applicable death verification documents required to process the benefit payments to the beneficiaries had been received by SBCERA. We noted a lack of attempts to contact the beneficiaries by SBCERA to obtain the documents.
 - **Recommendation:** We recommend that SBCERA implement a procedure requiring member services to follow up with beneficiaries every 30 days and make a minimum of two to three attempts. The communication attempts should be tracked on an internal log and the communication letters in each participant's file.
- Six out of the one hundred and fifty decedents selected for testing had their benefits processed and paid to their beneficiaries but did not have a death certificate or any other beneficiary related forms in Pension Gold.
 - **Recommendation:** We recommend that SBCERA implement a procedure to create an internal log to help member services track the documentation and pay out process for each decedent. We recommend that supervisors review the logs periodically to ensure all documentation is being obtained and the files are being tracked. Additionally, we recommend SBCERA not pay out any benefits until all documentation is obtained.
- Three out of the one hundred and fifty decedents selected for testing did not have their benefits processed and paid to their beneficiaries despite all the applicable beneficiary documents being located in Pension Gold.
 - **Recommendation:** We recommend that SBCERA implement a procedure to create an internal log to help member services track the documentation and pay out process for each decedent. We recommend that supervisors review the logs periodically to ensure the files are being tracked.
- One out of the one hundred and fifty decedents selected for testing was a beneficiary receiving benefits from another participant. We were unable to verify if this beneficiary was receiving the correct benefit payments from the participant, as we were unable to locate the participant's file in Pension Gold.
 - **Recommendation:** We recommend that SBCERA correct this account. Going forward, we recommend SBCERA implement a procedure to ensure proper internal controls are in place for all decedent participant accounts, including, but not limited to, having a two-person review process in which the reviewer inspects the file after it has been created. During the review process, the file should be checked for decedent documentation and ensure the beneficiary information agrees to the beneficiary(ies) listed in each participant's file.

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- E. Verified each participant was properly excluded from payroll by reviewing the payment register under the benefits tab in Pension Gold and ensuring that payments did not continue after the date of death.

Result: Reviewed each participant's benefits transaction detail on Pension Gold to determine if each participant was properly excluded from payroll. No exceptions noted during testing.

- F. Verified member status is changed in the pension system.

Result: Reviewed each participant's benefits transaction detail in Pension Gold to determine if each participant was properly excluded from payroll. No exceptions noted during testing.

- G. If all records were provided, verified payment was made to each designated beneficiary shortly after date of death (if applicable, this includes death benefit, life insurance, or continuance pay).

Findings: During our testing of deceased participants, we noted:

- Ninety-five of the one hundred and fifty decedents selected for testing received their applicable benefit payment in excess of 30 days after the death of the participant. In addition:
 - Forty-four received their benefits after 30 days of submitting the estate death form.
 - Thirty received their benefits within 30 days of submitting the estate death form.
 - Eighteen were missing documentation in addition to being in excess of 30 days.
 - Three submitted forms after already receiving their benefit payment.
 - **Recommendation:** We recommend that SBCERA implement a procedure to create an internal log to help member services track the documentation and pay out process for each decedent. If possible, we ask that IT integrate a timer on each participant's file alerting SBCERA after 30 days of death that the participant's account is open. We recommend that supervisors review the logs periodically to ensure the files are being tracked.
- Twenty-three out of the one hundred and fifty decedents selected for testing did not have their death benefits paid to their beneficiaries, as none of the applicable death verification documents required to process the benefit payments to the beneficiaries had been received by SBCERA. We noted a lack of attempts to contact the beneficiaries by SBCERA to obtain the documents.
 - **Recommendation:** We recommend that SBCERA implement a procedure requiring member services to follow up with beneficiaries every 30 days and make a minimum of two to three attempts. The communication attempts should be tracked on an internal log and the communication letters in each participant's file.
- Three out of the one hundred and fifty decedents selected for testing did not have their benefits processed and paid to their beneficiaries despite all the applicable beneficiary documents being located in Pension Gold.
 - **Recommendation:** We recommend that SBCERA implement a procedure to create an internal log to help member services track the documentation and pay out process for each decedent. We recommend that supervisors review the logs periodically to ensure the files are being tracked.
- One out of the one hundred and fifty decedents selected for testing was a beneficiary receiving benefits from another participant. We were unable to verify if this beneficiary was receiving the correct benefit payments from the participant, as we were unable to locate the participant's file in Pension Gold.
 - **Recommendation:** We recommend that SBCERA correct this account. Going forward, we recommend SBCERA implement a procedure to ensure proper internal controls are in place for all decedent participant accounts, including, but not limited to, having a two-person review process in which the reviewer inspects the file after it has been created. During the review process, the file should be checked for decedent documentation and ensure the beneficiary information agrees to the beneficiary(ies) listed in each participant's file.

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- H. Verified that each survivor/beneficiary received the accurate benefit payment and onetime burial allowance, if applicable.

Findings: During our testing of deceased participants, we noted:

- Twenty-three out of the one hundred and fifty decedents selected for testing did not have their death benefits paid to their beneficiaries, as none of the applicable death verification documents required to process the benefit payments to the beneficiaries had been received by SBCERA. We noted a lack of attempts to contact the beneficiaries by SBCERA to obtain the documents.
 - **Recommendation:** We recommend that SBCERA implement a procedure requiring member services to follow up with beneficiaries every 30 days and make a minimum of two to three attempts. The communication attempts should be tracked on an internal log and the communication letters in each participant's file.
- Three out of the one hundred and fifty decedents selected for testing did not have their benefits processed and paid to their beneficiaries despite all the applicable beneficiary documents being located in Pension Gold.
 - **Recommendation:** We recommend that SBCERA implement a procedure to create an internal log to help member services track the documentation and pay out process for each decedent. We recommend that supervisors review the logs periodically to ensure the files are being tracked.
- One out of the one hundred and fifty decedents selected for testing only received half of their entitled burial benefit payment per review of the beneficiary's payment register in Pension Gold.
 - **Recommendation:** We recommend that SBCERA correct this account. Going forward, we recommend SBCERA implement a procedure to ensure proper internal controls are in place for all decedent participant accounts, including, but not limited to, having a two-person review process in which the reviewer inspects the file after it has been created. During the review process, the file should be checked for decedent documentation and ensure the beneficiary information agrees to the beneficiary(ies) listed in each participant's file.
- One out of the one hundred and fifty decedents selected for testing was a beneficiary receiving benefits from another participant. We were unable to verify if this beneficiary was receiving the correct benefit payments from the participant, as we were unable to locate the participant's file in Pension Gold.
 - **Recommendation:** We recommend that SBCERA correct this account. Going forward, we recommend SBCERA implement a procedure to ensure proper internal controls are in place for all decedent participant accounts, including, but not limited to, having a two-person review process in which the reviewer inspects the file after it has been created. During the review process, the file should be checked for decedent documentation and ensure the beneficiary information agrees to the beneficiary(ies) listed in each participant's file.

Specific to Overpayments Resulting from Member or Beneficiary Death

- I. Reviewed notification submitted to member or verification for overpayment.

Findings: During our testing of deceased participants, we noted:

- Three out of the one hundred and fifty of the decedents selected for testing had received an overpayment of benefits. Two of the three decedents received a monthly benefit payment for the month after their death while the remaining decedent received an overpayment for their final paycheck. We noted no documentation in SBCERA's pension management system attempting to contact each deceased participant's beneficiary to collect the overpayment of the noted benefits.

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- **Recommendation:** We recommend that SBCERA correct the accounts. Going forward, we recommend SBCERA implement a procedure to ensure proper internal controls are in place for all decedent participant accounts, including, but not limited to, having two people involved in process, in which one person performs the calculation of the benefit payment and stops the current payment. The second acts as a reviewer and inspects the file, beneficiary communication, calculations, and stopped payments and ensures the file is complete.
- One out of the one hundred and fifty decedents selected for testing was a beneficiary receiving benefits from another participant. We were unable to verify if this beneficiary was receiving the correct benefit payments from the participant, as we were unable to locate the participant's file in Pension Gold.
 - **Recommendation:** We recommend that SBCERA correct this account. Going forward, we recommend SBCERA implement a procedure to ensure proper internal controls are in place for all decedent participant accounts, including, but not limited to, having a two-person review process in which the reviewer inspects the file after it has been created. During the review process, the file should be checked for decedent documentation and ensure the beneficiary information agrees to the beneficiary(ies) listed in each participant's file.

J. Recalculated the overpayment using the data from Pension Gold.

Result: For the participants who received an overpayment above (step I), we reviewed each participant's data in Pension Gold to recalculate and determine the accuracy of the overpayment. No exceptions noted during testing.

K. Viewed check payment from member or beneficiary.

Finding: As there was no attempt to collect the overpayments to the participants by SBCERA, no checks were able to be reviewed.

- **Recommendation:** We recommend that SBCERA contact each individual and correct the accounts. Going forward, we recommend SBCERA implement a procedure to ensure proper internal controls are in place for all decedent participant accounts, including, but not limited to, having two people involved in process, in which one person performs the calculation of the benefit payment and stops the current payment. The second acts as a reviewer and inspects the file, beneficiary communication, calculations, and stopped payments and ensures the file is complete.

L. Traced check to the copy of receipt signed by SBCERA recipient.

Finding: As there was no attempt to collect the overpayments to the participants by SBCERA, no checks were able to be reviewed.

- **Recommendation:** We recommend that SBCERA contact each individual and correct the accounts. Going forward, we recommend SBCERA implement a procedure to ensure proper internal controls are in place for all decedent participant accounts, including, but not limited to, having two people involved in process, in which one person performs the calculation of the benefit payment and stops the current payment. The second acts as a reviewer and inspects the file, beneficiary communication, calculations, and stopped payments and ensures the file is complete.

M. Traced check to the electronic deposit detail report.

Finding: As there was no attempt to collect the overpayments to the participants by SBCERA, no checks were able to be reviewed.

- **Recommendation:** We recommend that SBCERA contact each individual and correct the accounts. Going forward, we recommend SBCERA implement a procedure to ensure proper internal controls are in place for all decedent participant accounts, including, but not limited to, having two people involved in process, in which one person performs the calculation of the benefit payment and stops the current payment. The second acts as a reviewer and inspects the file, beneficiary communication, calculations, and stopped payments and ensures the file is complete.

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N. Traced total from deposit detail report to bank statement.

Finding: As there was no attempt to collect the overpayments to the participants by SBCERA, no bank deposit detail was able to be reviewed.

- **Recommendation:** We recommend that SBCERA contact each individual and correct the accounts. Going forward, we recommend SBCERA implement a procedure to ensure proper internal controls are in place for all decedent participant accounts, including, but not limited to, having two people involved in process, in which one person performs the calculation of the benefit payment and stops the current payment. The second acts as a reviewer and inspects the file, beneficiary communication, calculations, and stopped payments and ensures the file is complete.

SAN BERNARDINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION ATTACHMENT B – MANAGEMENT'S REPOSE FOR THE FISCAL YEAR ENDED JUNE 30, 2020

San Bernardino County Employees' Retirement Association (SBCERA) management engaged the accounting firm, Brown Armstrong, to perform a series of Agreed-Upon Procedures (AUPs) related to the accuracy of SBCERA's member information and the processing of death benefits.

Brown Armstrong has provided SBCERA with a summary of their results and findings, which is attached herein. This memo provides responses to those specific circumstances where Brown Armstrong has noted some sort of exception or finding. (Where the results have produced no exceptions or findings, we generally believe that existing controls and processes are sufficient.)

We appreciate the thoroughness of Brown Armstrong's report, and we have researched their findings and noted their recommendations. We believe that the findings in their report are generally issues which have already been addressed by a review or revision of existing internal controls and processes, or which management is actively working on addressing through a Business Process Improvement (BPI) as part of the PensionGold Refresh Project. We have noted those instances in which we believe BPIs which are either currently underway or planned for the near future that will address the findings. Additionally, we believe it may be beneficial for SBCERA management to engage Brown Armstrong to return and conduct another report on the application of these AUPs once the process improvements outlined herein are implemented.

AUP-1: Benefits and Customer Service – Accuracy of Member Information

Brown Armstrong's Findings: During our testing of active participants, we noted: One out of the one hundred and fifty participants tested had an erroneous date birth date listed on their enrollment affidavit. As such, we were unable to validate the demographic data to the pension system.

SBCERA Management Response: We believe controls are currently in place which would ensure the accuracy of this data moving forward. Additionally, as part of the PensionGold Refresh Project, SBCERA is currently working with consultants from Linea Solutions on a BPI project which specifically addresses Employer Reporting. We anticipate this BPI will solve any issues that may have arisen in the past with inconsistent data.

Brown Armstrong's Findings: During our testing of active participants, we noted: Six out of the one hundred and fifty participants tested were retired or terminated during the year but remained in active status in the pension system.

SBCERA Management Response: This finding is related to a deficiency in employer reporting, in which an employee has first changed status from a full-time SBCERA-covered position to a status in which they are either not earning service time or not employed in an SBCERA-covered position (e.g. an employee on contract fixed-term status, intermittent or part-time employment, or a leave of absence). If this same employee then terminates employment, the employer often will not report that termination to SBCERA. We have identified this issue for correction as part of the BPI on Employer Reporting.

Brown Armstrong's Findings: Twenty-five out of the one hundred and fifty participants tested were new members. Five out of these twenty-five new members did not have an "Enrollment Affidavit" present on their files in Pension Gold.

SBCERA Management Response: This finding is being addressed in several ways. First, SBCERA currently produces a report which identifies new members for whom we do not have an Enrollment Affidavit on file. Because the Enrollment Affidavit must be signed by both the member and the employer, this report is shared regularly with employers so they can ensure the report is completed and returned. Improvements to our current process are already underway based on ongoing discussions with employers. Additionally, we have identified this issue for deeper discussion and analysis as part of the BPI on Employer Reporting. Finally, recent changes to SBCERA's By-Laws will likely allow for the new enrollment process to be streamlined, while still ensuring the accuracy, security and integrity of our member's data.

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AUP-2: Benefits and Customer Service – Death Benefit Processes – Payments to Beneficiaries and Member Death Verification

Section A. Reviewed beneficiary/survivor's marriage license and/or birth certificate to verify the relationship to the deceased.

Note: For Section A, we have provided a single response for all the findings in this section, rather than a separate response to each individual finding. Please refer to Brown Armstrong's letter for the details of each finding.

SBCERA Management Response: Where the report has noted a lack of attempts to contact beneficiaries, there are generally a number of possible reasons. In some cases, beneficiaries have been contacted by SBCERA staff but have indicated that they need time to grieve the loss of a loved one before they can proceed with the required paperwork. This leads to delays which may not be avoidable. In other cases, additional follow-up attempts have been made by SBCERA staff, but the information regarding those efforts was contained in the Contact Log window in PensionGold, and may have not been accessed by Brown Armstrong staff at the time the report was conducted. (The Contact Log is a customer relationship management (CRM) system, which allows staff to track interactions with members.) The Contact Log was recently built-out into a more robust and widely-used feature which was implemented in June 2021, as part of the PensionGold Refresh Project. However, the Disability Unit had used a more limited version of this feature for several years prior to July 2021 to track member contact.

Additionally, full organizational use of the Contact Log feature is now underway, which means that staff can catalog and store records of calls and emails in a way that will allow us to reference these interactions more easily in the future. We believe this will allow for better tracking of follow-up attempts for this process. Finally, the process through which staff conducts follow-up attempts will be addressed through two separate BPIs which are part of the PensionGold Refresh – one which covers at the death benefit process for active members (handled by SBCERA's Disability Unit), and the other that looks at the death benefit process for payees (handled by SBCERA Member Services Department).

Regarding the finding that three of the one hundred and fifty decedents did not have their benefits processed timely, we expect that additional improvements to internal process workflows will address any issues related to timely processing of benefits. These workflows are a specific area of focus for the BPIs related to death benefit processing. Additionally, the three decedent benefits noted in the findings have since been processed and paid to the correct beneficiaries.

Regarding the finding that SBCERA did not have birth or marriage certificates on file for twenty seven of the one hundred and fifty decedents' beneficiaries receiving death benefits, we have found several reasons to explain the findings. One is that some of the documentation in question was stored in a secure network drive outside of PensionGold at the time of Brown Armstrong's research—and not yet scanned into PensionGold. (These documents would have been verified by staff prior to activation of the benefit.) Additionally, for at least twenty-three of the twenty-seven decedents in question, the benefit was limited to a one-time lump-sum burial payout (as opposed to a lifetime continuance). Beneficiaries do not need to produce a birth certificate or marriage certificate to receive a lump-sum benefit from SBCERA. Additionally, the process through which staff collects documentation from members and digitally saves those files will be addressed through the Documents and Imaging BPI, which is part of the PensionGold Refresh.

Finally, regarding the one beneficiary which Brown Armstrong noted as receiving benefits from another participant, the account in question is actively under review and staff is working on confirming that the correct benefit is being paid.

Section B. No findings or exceptions noted.

Section C: Review copies of the completed "Death Benefit Election Forms," signed and returned by the beneficiaries, in the Pension Gold Imaging system.

SBCERA Management Response: The findings identified by Brown Armstrong in this section are largely the same as those in Section A. SBCERA Management Response to Section A addresses our approach to all findings in both sections.

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Section D. Verified Death Certificates were obtained prior to disbursement to the elected beneficiaries. Viewed in Pension Gold Imaging system.

SBCERA Management Response: The findings identified by Brown Armstrong in this section are largely the same as those in Section A and Section C. SBCERA Management Response to Section A addresses our approach to all findings in these three sections.

Section E. No findings or exceptions noted.

Section F. No findings or exceptions noted.

Section G: If all records were provided, verified payment was made to each designated beneficiary shortly after date of death (if applicable, this includes death benefit, life insurance, or continuance pay).

SBCERA Management Response: The findings identified by Brown Armstrong in this section are largely the same as those in Sections A, C and D. SBCERA Management Response to Section A addresses our approach to all findings in these four sections.

Section H: Verified that each survivor/beneficiary received the accurate benefit payment and onetime burial allowance, if applicable.

SBCERA Management Response: The findings identified by Brown Armstrong in this section are largely the same as those in Sections A, C and D. SBCERA Management Response to Section A addresses our approach to all findings in these four sections, with the exception of the finding noted below.

Regarding the finding that one out of the one hundred and fifty decedents selected for testing only received half of their entitled burial benefit payment per review of the beneficiary's payment register in Pension Gold, we have researched this account and determined that the account has been corrected and that there was not an error made by SBCERA staff. (This was a unique situation where staff eventually discovered that one of the two eligible beneficiaries was deceased after correctly paying the initial beneficiary only half the benefit. As the sole remaining beneficiary, the initial beneficiary was ultimately paid the second half of the benefit in a separate installment.)

Sections I through N: Specific to Overpayments Resulting from Member or Beneficiary Death

Brown Armstrong's findings in these sections note primarily that three out of the one hundred and fifty decedents selected for testing had received an overpayment of benefits. Two of the three decedents received a monthly benefit payment for the month after their death while the remaining decedent received an overpayment for their final paycheck.

SBCERA Management Response: The process through which staff attempts to recover overpayments related to the death process will be addressed through the same two BPIs as noted above—one which covers at the death benefit process for active members (handled by SBCERA's Disability Unit), and the other that looks at the death benefit process for payees (handled by SBCERA Member Services Department). Additionally, the SBCERA Board of Retirement's Benefits Policy 024, "Benefits Administration Procedures," was revised in May 2020 and provides an outline for staff's approach to collect overpayments.