

Compilation of all questions and responses relating to CCCERA RFP for Professional Auditing Services:

1. Why is CCCERA going out for proposal?

The existing contract for audit services expired.

2. Were there any adjustments proposed by the auditors for FY 2015 or FY 2016?

No.

3. What were the fees for 2016 and 2015 audit, apportioned between the financial audit and the employer schedules related to GASB Statement No. 68?

Fees for audit were \$45,600, \$48,300, and \$51,200 for FY14, 15, and 16 respectively. Fees for GASB68 work were \$14,400 per year.

4. What is the preferred timing for interim and final fieldwork?

It is desired to have the interim for a week at end of March and final fieldwork during the first week in May.

5. How many auditors were out in the field during interim and during final fieldwork? For how many days?

It's about a week each for both. Interim included an audit manager and two staff. Final fieldwork was a manager and three staff.

6. When will the draft CAFR be ready?

It is anticipated to have something by the third week in May.

7. If CCCERA could change one thing about the current audit process what would that be?

Examine if the interim and final fieldwork could be combined.

8. What controls are in place to monitor and record calls and distributions for real estate and private equity investments? (Internal or outside consultants?)

These are handled internally by accounting department along with investment department oversight. CCCERA uses a software platform with our existing custodian bank to handle online electronically.

9. What reconciliation procedures are performed between the different investment managers and custodian and how often?

Capital calls, distributions, and market value changes are reconciled quarterly.

10. Are there going to be any significant changes to the system that would significantly change its investment vehicles or benefits provided? If so, what are they?

None are expected.

11. What are the key qualities that CCCERA is expecting from their auditors?

CCCERA appreciates that auditors have an understanding of our timelines, nature of our work performed, and look for auditors' recommendation of any efficiencies or improvements needed. Involvement of our auditors for implementation of new GASB pronouncements is required.

12. Have any 'hard to value' investments such as investments in private equity, limited partnerships, real estate, derivatives and similar been 'written down' or 'written off' in the past 3 years? Are private equity investment subject to limitations on withdrawals?

Nothing written off in the last three years; no investments that were hard or unable to value. There are some private equity investments that have limits on withdrawals.

13. Are any of the hard to value investments audited financial statements prepared in a basis of accounting other than US GAAP?

No.

14. Section VI(A)(2) requires the Auditor to provide to the Accounting Manager, all recommendations, revisions and suggestions for improvement to the financial statements no later than May 15 of each year or other mutually agreed upon date. What have been some improvements suggested in prior years? Also, is CCCERA amenable to receiving this information as part of planning?

Last year CCCERA had recommendations centered on updating policies and procedures; recommendation to enhance documentation of SOC reports obtained from investment managers; recommendation to send letters to older pension retirees to determine if still alive; clarify some other forms sent to members. Yes, we are amenable to receive this information as part of planning.

15. Is the Entrance Conference discussed in Section VII(A) available to members of our team by conference call? Can Status Meetings discussed in Section VII(B) be handled similarly?

CCCERA is open to conference calls wherever possible eventually. It is desired in at least the first year to have in person meetings.

16. Has the current provider performed census testing remotely? If no, would CCCERA be amendable to using a secure system for such testing?

Yes.

17. The current CAFR does not include information for Other Post-Employment Benefits (OPEB)? The 'Roll Call of the States' provided at the 2017 Public Pension Financial Forum (P2F2) includes a planned issue / project / concern / key topics of "Planning for GASB 74 & 75 OPEB." Please describe what CCERA has done to date for GASB-74, the type of OPEB plan CCCERA administers and a brief summary of the plan provisions, including whether a separate actuarial report will be prepared for GASB 74 / 75 purposes.

As a newer employer, CCCERA has begun the process to establish reporting in order to be in compliance.

- 18. Regarding Section III(5-7), please confirm CCCERA accepts the mobility legislation, permitting a licensed CPA in good standing from a substantially equivalent state to practice outside of his or her principal place of business without obtaining another license.**

Must be licensed in good standing with State of California.

- 19. Section X(4)(e) requires the proposal to include total continuing professional education hours (divided into governmental and non-governmental) for the firm for the past two (2) years, and on membership in professional organizations relevant to the performance of this audit. For the entire firm, this may result in hundreds of thousands of hours and may include continuing professional education not relevant to the engagement. Please consider limiting this information to the proposing team.**

It can be limited to proposed team.

- 20. Section X(5)(d) discusses the potential need for additional professional services. What additional professional services has the current firm provided over the last 3 years?**

When GASB 67/ 68 was launched and implemented, the auditors in conjunction with the actuary provided technical guidance via workshops to plan sponsors and employers.