

3. Meeting of the ERS Board of Trustees' Audit Committee



May 23, 2018



Public Agenda Item # 1.1

Call Meeting of the ERS Board of Trustees' Audit Committee to Order



May 23, 2018

Public Agenda Item # 2.1

*Review and Approval of the Minutes to the March 7, 2018
ERS Audit Committee Meeting - (Action)*



May 23, 2018

Questions?
Action Item



Public Agenda Item # 3.1

Review of Internal Audit Reports



May 23, 2018

Tony Chavez, Director of Internal Audit

Benefits Coordinator Training Audit



Tony Chavez, Director, Internal Audit Division

Greg Magness, Internal Auditor

Benefits Coordinator Training Audit



Audit Objective: Determine the effectiveness of ERS' training program for benefits coordinators

Program Objective: Provide the coordinators with resources and tools to:

- 1) provide employees with timely and accurate information on benefits options and enrollment, and
- 2) perform timely, accurate data entry in ERS OnLine to facilitate benefits enrollment.

Who Are Benefits Coordinators?



Benefits coordinator – A person employed by an employer to provide assistance to its employees and their dependents with all aspects of GBP participation. (TAC §81.1)

- ERS works with more than 1,600 benefits coordinators in 200 state agencies and higher education institutes (organizations).
- As employees of other organizations, benefits coordinators do not report to ERS, and ERS has no direct authority over them.
- The State Auditor's Office does not have a job classification entitled *Benefits Coordinator*.
- Benefits coordinator may not be their primary role within their organization.

*Multiple people within organizations may be performing coordinator roles:
human resources, executive director, payroll/CFO, administrative assistant, probation officer.*

Benefits Coordinator Training Program



- Benefits Communications (BCOM) and Customer Benefits are the process owners.
- Information is provided on all coordinator roles and responsibilities through:
 - online Benefits Coordinator Community Group (BCCG);
 - BCASSIST dedicated phone line and email box;
 - coordinator information events; and
 - *Coordinator's UPDATE-express* biweekly e-newsletter.
- Coordinators are not required to undergo training.
- No in-person training is offered.
- No classroom, hands-on training or web-based, interactive training is offered.

Benefits Coordinator Training Program



Overview

- The BCCG and/or BCASSIST are available to all organizations.
- ERS obtains feedback from coordinators and utilizes the feedback to develop material.
- Coordinators are prompted to join the BCCG.
- The BCCG is continuously promoted as the primary resource for information.

Benefits Coordinator Training Audit



OVERALL ASSESSMENT		SATISFACTORY
SCOPE AREA	RESULT	RATING
Training Development	<ol style="list-style-type: none">1. Limited data analytics to evaluate the effectiveness and efficiency of the benefits coordinator program (Moderate)2. Formalize the documentation of activities to ensure adherence to polices and procedures. (Moderate)	Satisfactory
Training Delivery	<ol style="list-style-type: none">1. Limited data analytics to evaluate the effectiveness and efficiency of the benefits coordinator program (Moderate)	Satisfactory

How will ERS enhance its performance and accountability?

Enhance data quality and data analysis capabilities of the agency to increase efficiency, inform communication and decision making, and enhance programs for members through June 2021.

Source: ERS Strategic Plan 2017 – 2021, page 7

Measures of program effectiveness:

- Number of errors to be corrected (administrative exception requests, or AERs)
- Utilization of BCASSIST
- Utilization of the BCCG

BCASSIST Activity

Year	Calls	Emails	AERs
FY16	10,911	15,257	1,259
FY17	11,516	17,664	1,205
Total	22,427	32,921	2,464

Observation #1



Limited data collection

- Emails – no data collected in usable format beyond counts
- Administrative exception requests – highly manual system provides better information
- Phone calls – best source, but configuration change would improve

Benefits of data analysis

- Establishes benchmarks, performance measures and key performance indicators (KPIs) to indicate progress toward program objective
- Allows comparisons across multiple sources of data
- Measures impact on ERS resources (information available for calls only)
- Identifies the topics coordinators are contacting BCASSIST about

Continue to enhance data quality and data analysis capabilities.

- Identify data elements needed for meaningful analysis.
- Develop benchmarks, performance measures and KPIs that measure key areas.
- Gather the data for the elements identified, preferably through automated means.
- Analyze the data periodically to determine effectiveness and impact.
- Utilize the analysis to improve the program.

Observation #2

- Track training materials while under review. (Customer Benefits)
 - Tracking sheet not understandable to everyone
 - Many missing emails
 - Assignment to subject matter expert (SME)
 - Review/approval by SME
 - Return of reviewed material
- Formally schedule review of BCCG materials and track their review. (BCOM)
 - Informal schedule unsustainable
 - Review not documented unless edits are made

Questions?



Investment Compliance Agreed-Upon Procedures



Tony Chavez, Director Internal Audit Division
Aaron Ismail, Investment Compliance Officer

Investment Compliance Procedures



- Portfolio compliance – One issue
 - Three holdings in prohibited countries for more than three days
- Personal trading – No issues
- Proxy voting – No issues
- Securities lending – No issues

Questions?



Next Meeting Dates



2018 Meeting Dates

Wednesday, August 29, 2018

2 Day Workshop:

Tuesday – Wednesday, December 11-12, 2018

Public Agenda Item # 4.1

Adjournment of the ERS Board of Trustees Audit Committee



May 23, 2018