

IN PERSON & VIRTUAL BOARD MEETING

*The Committee meeting will be held following the Board of Retirement meeting scheduled prior.



TO VIEW VIA WEB



TO PROVIDE PUBLIC COMMENT

Members of the public may address the Committee orally and in writing. To provide Public Comment, you should visit the above link and complete the request form by selecting whether you will provide oral or written comment from the options located under Options next to the Committee meeting.

Attention: If you have any questions, you may email PublicComment@lacera.com. If you would like to make a public comment during the committee meeting, review the [Public Comment instructions](#).

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
300 N. LAKE AVENUE, SUITE 650, PASADENA, CA

AGENDA

A REGULAR MEETING OF THE OPERATIONS OVERSIGHT COMMITTEE AND BOARD OF RETIREMENT*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

9:00 A.M., THURSDAY, JULY 6, 2023**

This meeting will be conducted by the Operations Oversight Committee and Board of Retirement both in person and by teleconference under California Government Code Section 54953(f).

Any person may view the meeting in person at LACERA's offices or online at <https://LACERA.com/leadership/board-meetings>.

The Committee may take action on any item on the agenda, and agenda items may be taken out of order.

COMMITTEE TRUSTEES:

Alan Bernstein, Chair
Herman B. Santos, Vice Chair
Keith Knox, Trustee
Antonio Sanchez, Trustee
Jason Green, Alternate Trustee

- I. CALL TO ORDER
- II. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER AB 2449, California Government Code Section 54953(f)
 - A. Just Cause
 - B. Action on Emergency Circumstance Requests
 - C. Statement of Persons Present at AB 2449 Teleconference Locations

July 6, 2023

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III. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of June 7, 2023

IV. PUBLIC COMMENT

(Members of the public may address the Committee orally and in writing. To provide Public Comment, you should visit <https://LACERA.com/leadership/board-meetings> and complete the request form by selecting whether you will provide oral or written comment from the options located under Options next to the Committee meeting.

If you select oral comment, we will contact you via email with information and instruction as to how to access the meeting as a speaker. You will have up to 3 minutes to address the Committee. Oral comment request will be accepted up to the close of the Public Comment item on the agenda.

If you select written comment, please input your written public comment or documentation on the above link as soon as possible and up to the close of the meeting. Written comment will be made part of the official record of the meeting. If you would like to remain anonymous at the meeting without stating your name, please leave the name field blank in the request form. If you have any questions, you may email PublicComment@lacera.com.)

V. REPORTS

A. **LACERA Operations Briefing**

Luis A. Lugo, Deputy Chief Executive Officer
JJ Popowich, Assistant Executive Officer
Laura Guglielmo, Assistant Executive Officer
(For Information Only)

B. **Third-Party Data Security Review**

Onyx Jones, Audit Committee Chair
(For Information Only) (Memo dated June 12, 2023)

VI. ITEMS FOR STAFF REVIEW

(This item summarizes requests and suggestions by individual trustees during the meeting for consideration by staff. These requests and suggestions do not constitute approval or formal action by the Board, which can only be made separately by motion on an agenda item at a future meeting.)

VII. ITEMS FOR FUTURE AGENDAS

(This item provides an opportunity for trustees to identify items to be included on a future agenda as permitted under the Board's Regulations.)

VIII. GOOD OF THE ORDER

(For Information Purposes Only)

IX. EXECUTIVE SESSION

A. **Potential Threats to Public Services or Facilities**

(Pursuant to Subdivision (a) of California Government Code Section 54957)

Consultation with: LACERA Chief Executive Officer Santos H. Kreimann, Deputy Chief Executive Officer Luis Lugo, Assistant Executive Officer JJ Popowich, Interim Information Technology Manager Celso Templo, Interim Information Security Officer Summy Voong, Benefits Division Section Head Sylvia Botros, and Other LACERA Staff.

X. ADJOURNMENT

***The Board of Retirement has adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five or more members of the Board of Retirement (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board of Retirement. Members of the Board of Retirement who are not members of the Committee may attend and participate in a meeting of a Board Committee but may not vote on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at a subsequent meeting of the Board.**

****Although the meeting is scheduled for 9:00 a.m., it can start anytime thereafter, depending on the length of the Board of Retirement meeting preceding it. Please be on call.**

Any documents subject to public disclosure that relate to an agenda item for an open session of the Committee, that are distributed to members of the Committee less than 72 hours prior to the meeting, will be available for public inspection at the time they are distributed to a majority of the Committee, at LACERA's offices at 300 North Lake Avenue, Suite 820, Pasadena, California during normal business hours from 9:00 a.m. to 5:00 p.m. Monday through Friday *and will also be posted on lacera.com at the same time, [Board Meetings | LACERA](#).*

Requests for reasonable modification or accommodation of the telephone public access and Public Comments procedures stated in this agenda from individuals with disabilities, consistent with the Americans with Disabilities Act of 1990, may call the Board Offices at (626) 564-6000, Ext. 4401/4402 from 8:30 a.m. to 5:00 p.m. Monday through Friday or email PublicComment@lacera.com, but no later than 48 hours prior to the time the meeting is to commence.

MINUTES OF THE REGULAR MEETING OF THE OPERATIONS OVERSIGHT
COMMITTEE AND BOARD OF RETIREMENT*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

11:48 A.M. – 1:02 P.M., WEDNESDAY, JUNE 7, 2023

This meeting was conducted by the Operations Oversight
Committee both in person and by teleconference under California
Government Code Section 54953 (f)

COMMITTEE TRUSTEES

PRESENT: Alan Bernstein, Chair (In-Person)
Herman B. Santos, Vice Chair (In-Person)
Keith Knox, Trustee (In-Person)
Antonio Sanchez, Trustee (In-Person)
Jason E. Green, Alternate Trustee (In-Person)

OTHER BOARD OF RETIREMENT TRUSTEES

Vivian H. Gray, Trustee (In-Person)
JP Harris, Trustee (In-Person)
Shawn R. Kehoe, Trustee (In-Person) *(left at 12:20 p.m.)*
Les Robbins, Trustee (In-Person)

STAFF, ADVISORS AND PARTICIPANTS

Santos H. Kreimann, Chief Executive Officer

Luis Lugo, Deputy Chief Executive Officer

JJ Popowich, Assistant Executive Officer

Laura Guglielmo, Assistant Executive Officer

Steven P. Rice, Chief Counsel

Vanessa Gonzalez, Interim Section Head, Outreach

Victor Tafolla, Retirement Specialist III, Outreach

Summy Voong, Interim Assistant Systems Division Manager

I. CALL TO ORDER

This meeting was called to order by Chair Bernstein at 11:48 a.m.

II. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER AB 2449, California Government Code Section 54953(f)

A. Just Cause

B. Action on Emergency Circumstance Requests

C. Statement of Persons Present at AB 2449 Teleconference Locations

There were no requests received.

III. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of May 3, 2023

Trustee Santos made a motion, Trustee Knox seconded, to approve the minutes of the regular meeting of May 3, 2023. The motion passed by the following roll call vote:

Yes: Santos, Knox, Sanchez, Bernstein

No: None

IV. PUBLIC COMMENT

There were no requests from the public to speak.

V. NON-CONSENT ITEMS

A. **Revised and Restated Post Retirement Employment Policy**

Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Committee recommend the Board of Retirement approve the proposed revised and restated Post Retirement Employment Policy. (Memo dated May 26, 2023)

Trustee Bernstein made a motion, Trustee Santos seconded, to approve staff recommendation, with the policy as amended. The motion passed by the following roll call vote:

Yes: Santos, Knox, Sanchez, Bernstein

No: None

VI. REPORTS

A. **LACERA Operations Briefing**

Luis A. Lugo, Deputy Chief Executive Officer
JJ Popowich, Assistant Executive Officer
(For Information Only)

The Executive team presented the monthly briefing and was available to answer questions from the Committee. This item was received and filed.

B. **Mass Communication Process: Online and Email**

JJ Popowich, Assistant Executive Officer
(Presentation)

Mr. Popowich provided a presentation and addressed questions from the Committee. This item was received and filed.

VI. REPORTS (Continued)

C. **New Retirement Counseling Folders**

Vanessa Gonzalez, Interim Section Head, Outreach
Victor Tafolla, Retirement Specialist III, Outreach
(Verbal Update)

Ms. Gonzalez and Mr. Tafolla gave an update to the Committee and presented sample folders. This item was received and filed.

D. **New Phishing Attack Targeting LACERA Members**

JJ Popowich, Assistant Executive Officer
(Memo and Attachments Exempt from Public Disclosure
California Public Records Act, Cal. Gov't Code §7920.520;
Brown Act, Cal. Gov't Code § 54957.5(a))

Mr. Popowich provided a brief verbal update and was available to answer questions from the Committee. This item was received and filed

E. **Privacy Incident: Personally Identifiable Information**

Cassandra Smith, Director, Retiree Healthcare
(Memo Exempt from Public Disclosure
California Public Records Act, Cal. Gov't Code §7920.520;
Brown Act, Cal. Gov't Code § 54957.5(a))

Ms. Smith provided a brief verbal update and was available to answer questions from the Committee. This item was received and filed.

VII. ITEMS FOR STAFF REVIEW

(This item summarizes requests and suggestions by individual trustees during the meeting for consideration by staff. These requests and suggestions do not constitute approval or formal action by the Board, which can only be made separately by motion on an agenda item at a future meeting.)

There was nothing to report.

VIII. ITEMS FOR FUTURE AGENDAS

(This item provides an opportunity for trustees to identify items to be included on a future agenda as permitted under the Board's Regulations.)

There was nothing to report.

IX. GOOD OF THE ORDER

(For Information Purposes Only)

There was nothing to report.

X. ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 1:02 p.m.

***The Board of Retirement has adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five or more members of the Board of Retirement (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board of Retirement. Members of the Board of Retirement who are not members of the Committee may attend and participate in a meeting of a Board Committee but may not vote on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at a subsequent meeting of the Board.**

FOR INFORMATION ONLY



Operations Briefing Report

July 6, 2023





The Operations Briefing Report is divided into four distinct sections, beginning with a general highlight section where we share narratives of projects or operational issues that we feel need highlighted attention. For example, over the last few months we have provided updates on our annual “March Madness” season.

The remaining sections are designed to provide an “at-a-glance” update on projects and initiatives the organization is working on. Each section is divided into the categories listed below to make it easier for you to quickly see what has changed, what has not, and what is completed. We have assigned a color scheme to each section so that as you scroll through the report you will be able to easily identify which of the sections listed below you are in. We have alphabetized each section by project title to make it easier for Trustees to home in on a specific project of interest:

- **New and Updated Information**
- **Existing Projects/Initiatives: No New Updates**
- **Completed Projects/Initiatives**

Each “at-a-glance” section provides a summary of information so Trustees can quickly understand the project and its status. This includes the following fields:

Project/Issue Title – Brief Description:

- **Type:** Each project has been assigned a type (Strategic Plan, CEO (for CEO’s 100 Day Report), MOG (Member Operations Group projects), and BSG (for Business Services Group projects).
- **Start and Target Date:** When the project started and its expected target date for completion.
- **Project Lead(s):** We have added a new information point to describe the project lead for that specific project.
- **Color coded status section** to indicate quickly where we are on the project.
- **A brief annotated notes section** to provide more detail on the status of the project.



Status Indicator Note		
Color coded statuses for a quick at-a-glance indicator to tell you how the project is proceeding.		
On Schedule	Delayed	Pushed Back
(The project is on schedule and the team intends to meet the stated target date)	(The project is slightly delayed. The team does expect a one to two month slip in meeting the target date. Management is more actively watching the progress of these projects)	(The project has been impacted by a significant obstacle or has been suspended due to emergent priorities. Management is actively discussing remedial steps or has a plan waiting to be implemented)

• New and Updated Information

This portion of the Operations Briefing details projects and initiatives that are new or have updated statuses.

Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
		BSG	Financial & Accounting Services Division	July 2022
Project Lead(s): Ted Granger				
On Schedule				
Actuarial Valuation Reports: 2022 Other Post-employment Benefits (OPEB) Actuarial Valuation The retiree healthcare (RHC) program administered by LACERA on behalf of Los Angeles County includes retiree healthcare benefits such as medical and dental insurance plans and death benefits. GASB refers to these benefits as Other Post-Employment Benefits (OPEB) for financial reporting.	2022 OPEB – Annual Actuarial Valuation Report The July 1, 2022, OPEB Valuation Report is in progress. Milliman provided LACERA with a draft Appendix A to the report at the end of April 2023. Milliman provided the main body draft report in early June 2023. LACERA distributed the draft report to stakeholders including Los Angeles County, Superior Court and their actuaries, for review. Staff is working with Milliman to review and update the draft report and presentation slides as necessary. LACERA staff and Milliman expect to present the final report to the Board of Retirement at their August 2023 meeting.			



<p>GASB Statement Number 75 prescribes financial statement reporting standards for OPEB programs. Actuarial valuations are prepared annually for Los Angeles County and LACERA’s Board of Retirement to make funding decisions and to provide the information for the GASB 75 report which is used for employer financial statement reporting.</p>	<p>RHC staff presented, and the Board of Retirement approved, the annual healthcare insurance premium renewals in March 2023. Milliman updated insurance plan cost information as part of the OPEB Valuation calculations.</p>
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Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
		BSG	Financial & Accounting Services Division	August 2022
	Project Lead(s): Ted Granger			
	On-Schedule			
<p>Actuarial Valuation Reports: 2022 Actuarial Valuation of Retirement Benefits The Government Code requires that valuations of the Retirement Fund (Pension Plan) be performed at least once every three years. The Board of Investments’ 2013 Retirement Benefit Funding Policy requires valuations be completed annually. These reports are prepared to determine employer and employee contribution rates and to measure the funded status of the</p>	<p>2023 Retirement Benefits – Actuarial Risk Assessment LACERA staff and Milliman presented the 2023 Annual Actuarial Risk Assessment report based upon the most recently completed Valuation report, to the Board of Investments (BOI) at their June 2023 meeting. There were some follow-up questions from Trustees regarding the impact PEPRAs may have on setting actuarial assumptions. Staff expects Milliman to present some additional information at a future BOI meeting.</p>			



Pension Plan. In addition, the valuation report provides information used to prepare the Governmental Accounting Standards Board (GASB) Statement Number 68, financial statement reports. Plan Sponsors use the GASB reports to obtain information required for their financial statement disclosures.

Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
		BSG	Financial & Accounting Services Division	May 2023
Project Lead(s): Ted Granger				
On-Schedule				
<p>Annual Financial Statement Preparation and Audit: Government code sections require that LACERA prepare annual financial statements including footnotes and disclosures, obtain an external audit opinion of those statements, and transmit the reports to the Los Angeles County Board of Supervisors within six-months following the fiscal year-end.</p>	<p>2023 – Annual Financial Statements/Audit Staff kicked off the June 30, 2023, financial statement reporting season. Plante Moran, LACERA’s external financial statement auditor, completed part of their interim fieldwork in May and will finish the interim fieldwork in June. The interim audit testing focused on member data, benefit calculations, internal control assessments and fraud interviews. Plante Moran met with the Audit Committee in June.</p> <p>In July, staff will complete the annual financial statement closing process, begin preparing the Annual Financial Statements (AFS) and note disclosures, and preparing for the audit. Plante Moran is planning to complete final fieldwork during September and October. Staff expects to complete the AFS and audit opinion by mid-October and provide LACERA’s AFS to Los Angeles County, so the County can finalize their financial statements prior to calendar year-end.</p>			



Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
		MOG	Benefits	08/01/2020
Project Lead(s): Shonita Peterson				
On Schedule				
<p>Alameda Decision Implementation: In 2020, the California Supreme Court issued its decision in the Alameda County Deputy Sheriff’s Association v. Alameda County Employees Retirement Association (“Alameda”), challenging the constitutionality of changes passed in 2013 Assembly Bill 197, which amended the definition of compensation earnable, specifically, excluding pay items previously included such as unused vacation, termination pay, in-kind payments, and payments for services rendered outside of normal working hours. The Court upheld the constitutionality of the Legislature’s actions. In 2021, the Legal Office notified the Board of Retirement that it had completed an initial review of LACERA legacy pay codes and determined that Standby Pay did not meet the expanded understanding of compensation earnable because of the Alameda Case.</p>	<p>Since the project started, staff have updated the salaries for 4,176 members to exclude Standby Pay and computed the contributions on earnings that occurred on or after January 1, 2013. Of those, 3,013 were actively employed, but only 2,284 had overpaid contributions. Since Active members cannot receive a refund while in service, LACERA suspended future contributions beginning with the March 30, 2022, salary (paid on April 15, 2022) through the point each member’s balance had been depleted. Staff mailed 1,000 letters to the active members on February 11, 2022, and the remaining 1,084 letters on February 25, 2022. A split mailing was used to prevent overwhelming the Member Services Call Center.</p> <p>Subsequently, staff identified 149 deferred and inactive members, most of whom were entitled to a refund. Staff issued 132 checks to those members entitled to a refund. The balance of seventeen were not owed a refund.</p> <p>The Systems Division developed programming to remove the Standby pay code earnings for all retirees who retired on or after January 1, 2013, and recalculated their FAC earnings once the pay codes were removed. Per the BOR approval, these members were subject to having their benefits adjusted prospectively from August 30, 2020, following the court’s decision.</p> <p>Beginning May 24, 2022, LACERA notified 710 members via email that their monthly benefit allowance will be reduced effective July 31, 2022. Of these, 405 members were notified that due to the retroactive deduction of benefits to the August 2020 monthly allowance, they have been overpaid and will be required to repay the overpaid benefits. Members will be given the option to repay by lump sum, or via deductions from their benefits over a period of time (including financing interest). The remaining 305 retirees were mailed a refund check for the overpaid retirement contributions that exceeded the overpaid retirement benefit. An</p>			



additional fifty-six members with Standby Pay neither have a refund nor a benefit change due to the timing of their standby pay, while a Plan E member, or having a 30-year cancellation.

The team working on this project has identified five groups of members who will be impacted by this project. The chart below reflects the progress of the project.

Alameda Project Status	Current Report	
	5/31/2023	
Row Labels (Type, Status, Detail, Outstanding)	Count	%
Pending Notification (Staff Reviewing and Processing)	810	16.76%
Active	55	1.1%
Retired	122	2.5%
Deferred/Inactive	0	0.0%
Deceased	43	0.8%
Other – *Active/Ex-ceptions	590	12.20%
Withdrawn	0	0.0%
Completed	4,022	83.24%
Active	3,004	62.2%
Retired	757	15.7%
Deferred/Inactive	149	3.1%
Deceased	0	0.0%



	Withdrawn	56	1.2%
	Not affected	56	1.2%
	Grand Total	4,832	100%

***Alameda Project – Active Members:** In addition to the 178 Retired / Deceased / Survivor / Legal Split Payee cases, there are a total of 625 Active Exception cases that require manual review and processing by the specialist. The Workspace Support Team previously informed the Benefits Team of this population. However, because we were concentrating on the retired population, we overlooked and did not report the **Active Exception** population. Our priority is still focused on the Retired / Deceased / Survivor / Legal Split Payee cases first. We anticipate initiating the collection process for affected members within this portion of the population by end of June 2023.

Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
		MOG	Executive (MOG)	06/01/2022
Project Lead(s): JJ Popowich, Cookie Jaranilla (PM)				
Canceled				
<p>Call Center Improvements: Phase VII – Voice Authentication – AI Assisted Validation</p> <p>Using AWS voice chat and voice authentication services to validate a member/survivor prior to speaking to a Specialist.</p>	<p>Our contact center service provider, Amazon Web Services (AWS), offers two services which we have identified as possible member experience enhancements that will help further reduce call center wait times by reducing call duration. Members calling LACERA must pass a Basic Validation to allow us to access a member’s account, and then a Secure Validation before we can discuss their account in detail or make changes.</p> <p>After progressing through a significant part of the discovery and design phase, the LACERA team working on this project determined that AWS could not meet the expectations set out for the plan and the provided service would not meet LACERA’s needs. As a result, the Executive Office and Primary Stakeholders have halted all the development efforts. The team will look for a solution as part</p>			



	of our Enterprise Communication system RFP process. Our goal remains to ensure a validation process that is both secure, efficient, and maintains a positive member experience.
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Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date	
		Strategic	Executive (MOG/BSG)	08/24/2022	11/2/2023
		Project Lead(s): JJ Popowich, Luis A. Lugo, & Iveta Brecko (PM)			
		On Schedule			
<p>Case Management Project (SOL): Phase I: Implement a case management system that will improve efficiency in processing member requests, provide accurate status and data collection for metrics, and improve the member experience.</p> <p>Processes included in Phase I are: Disability Retirement Services Disability Litigation Office Benefits – First Payment</p>	<p>In May of 2022, the BOR approved LACERA’s recommended vendor, Eccentex, to partner with LACERA to develop our Case Management System. Eccentex was selected after an extensive review of thirteen vendor proposals received from our RFP.</p> <p>The User Acceptance Testing (UAT) phase for Disability Retirement Services and Disability Litigation Office has progressed steadily. The User Guide has been beneficial in guiding the Subject Matter Experts while in UAT. Issues discovered are tracked and managed by the Project and Implementation teams in the Issue Tracking application. The proposed completion date of the UAT phase is on August 3rd.</p> <p>The Benefits First Payment and Eccentex Implementation teams have completed assessing and correcting the First Payment’s operational process workflow diagram. In addition, both teams have discussed and reviewed the User Interface (UI) mockups developed by the First Payment Subject Matter Experts (SMEs). The UI mockups represent First Payment’s user experience in navigation and operational processes defined in the discussed process flow.</p>				



Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
	BSG	Executive (BSG)	10/06/2022	08/31/23
	Project Lead(s): Laura Guglielmo and Cookie Jaranilla (PM)			
	On Schedule			
<p>Enterprise Budget Application (Questica) Implementation: LACERA is implementing its first automated enterprise budget application which will be used for budget development and budget control and will integrate with LACERA's financial system, Great Plains. This system replaces a manual budget development process that relies on Microsoft Excel and Word. It will also ensure that managers have real-time budget to actual reporting capabilities for data informed decision making.</p>	<p>After an extensive RFP and selection process, the Board of Retirement approved the selection of Questica on October 6, 2022. The contract and statement of work were finalized, and the project kick off meeting was held with the LACERA Budget Team and Questica team on November 17, 2022.</p> <p>The LACERA Project Team reviewed and revised the Questica implementation team's proposed project plan. In addition, the Project Team satisfied project requirements, such as providing personnel information data feed and testing the Budget Team's Operational Actuals Import integration to Questica's File Transfer Protocol (FTP) site for operational processing. The project is on track for its August 31, 2023, proposed go live date.</p>			

Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
	BSG	Administrative Services	03/01/2022	06/30/2023
	Project Lead(s): Roberta Van Nortrick, Celso Templo & Michael Dozier (PM)			
	On Schedule			
<p>Enterprise Contract Lifecycle Management (ECLM) Solution: Pursuant to a recommendation by Administrative Services staff, the Operations Oversight Committee (OOC) on March 2, 2022,</p>	<p>On April 4, 2022, LACERA received proposals from nine vendors. LACERA's evaluation team reviewed all RFPs and selected five vendors as finalists. These finalists demonstrated their solutions to the team. A final vendor has been identified and a recommendation to the Board of Retirement was scheduled for consideration at the September 2022 Board Meeting. The Board of Retirement approved the</p>			



<p>authorized a Request for Proposal (RFP) for software and consulting services to procure, configure, customize, and implement an ECLM system, which was published on LACERA.com on March 4, 2022.</p>	<p>recommended vendor, Cobblestone, at the September 2022 Board meeting for the Enterprise Contract Lifecycle Management system.</p> <p>The LACERA ECLM project team and Cobblestone Implementation team have started the implementation training phase in preparation for the June 30th GO-LIVE. Several implementation training activities have showcased the developed Contract LifeCycle Application in operation. The ECLM Project Team’s goal is to go over this exercise with the Cobblestone Implementation team to familiarize themselves with the ECLM’s operational process and track and improve the developed solution for implementation purpose.</p> <p>The Cobblestone Engineers, Great Plains Specialist, and LACERA staff established a connection between the ECLM and GP applications. Data Integration testing and fine-tuning activities will be performed to ensure that the data exchanges between both systems are automated and without any exceptions.</p>
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Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
	<p>Human Resources (HR) Digitization: LACERA is currently converting 350,000+ paper Human Resources’ personnel, payroll, medical, and classification files to electronic files to allow quick retrieval of documents by a hybrid workforce, shared access to information, full text search</p>	BSG	Executive (BSG)	10/01/2022
Project Lead(s): Carly Ntoya and Don Song (PM)				
Delayed				
	<p>In March 2022, the Information Technology Coordination Council approved the Human Resources Digitization Project. Funding for the project was approved as part of the FY 2022-23 budget. The newly onboarded resource intern has completed her training and resumed scanning the HR historical files. The scanning completion rate is currently 70K out of 350K, about 20%. Another resource intern will be onboarded by June 27th to provide additional staffing and increase the scanning completion rate. The project implementation date has been pushed back to December 30th.</p>			



capabilities, and an audit trail of document access.

Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
	BSG	Executive (BSG)	01/01/2023	08/30/2023
	Project Lead(s): Carly Ntoya and Michael Dozier (PM)			
	On Schedule			
Human Resources (HR) Case Management: LACERA seeks a case management solution that supports Human Resource workflow with automatic notifications, document management, and version control as well as the ability to view HR workloads on an interactive dashboard.	In December 2022, the Information Technology Coordination Council approved a case management project for Human Resources. Funding for the project was approved during the FY 2022-23 midyear budget adjustments. The HR project team selected ServiceNow’s Human Resources module for their case management solution. The Vendor Project Kick-off has taken place, establishing the expectations and stakeholders' roles and responsibilities between LACERA’s HR Case Management Project Team and Winward’s Implementation teams. The Discovery and Assessment sprints have been occurring to identify and document LACERA’s current HR state, such as manual processing, systems gaps, and operational pain points.			

Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
	BSG	Executive (BSG)	01/01/2023	10/16/2023
	Project Lead(s): JJ Popowich and Michael Dozier (PM)			
	Delayed			
LACERA Incident Response Team (LIRT) Management Solution:	In December 2022, the Information Technology Coordination Council approved a LIRT incident management solution project to automate the tracking of LACERA incidents. The LIRT project team decided to leverage a product that is already implemented at LACERA: ServiceNow Information Technology Service			



<p>LACERA seeks a solution that automates the tracking and workflow of LACERA incidents.</p>	<p>Management (ITSM). LACERA is currently selecting a business partner to leverage and customize the incident workflow of ServiceNow's ITSM to support LACERA's process regarding incident tracking, management, and reporting. Because LACERA already owns this product and is only configuring one module to support our specific process, we are able to absorb the cost of the project in the FY 2022-23 budget. We expect this project to be completed in June 2023.</p> <p>Currently collaborating with the Executive Sponsor, Chief Information Technology, and SMEs in gathering and finalizing the requirements and the Statement of Work (SOW). The LIRT Project Team aims to complete this exercise and share the finalized SOW with the selected vendor, Winward, as one of their requirements before the Vendor Project Kick-off.</p>
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Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date	
		Strategic	Exec (MOG)	01/01/2013	TBD
		Project Lead(s): Cynthia Martinez			
		Pushed Back			
<p>PEPRA Implementation: Annual Benefit Statement LACERA does not currently offer an Annual Benefit Statement (ABS) for PEPRA members.</p>	<p>LACERA is unable to generate a PEPRA member ABS until we can accurately, automatically, calculate a member's FAC. This project is on hold until the FAC issue is resolved.</p> <p>Progress continues on the PEPRA Implementation: FAC Issue project and that project's target date has been updated to October 30, 2023, to allow time to import historical files necessary to calculate a member's benefit estimates.</p> <p>The team is ramping up to restart this process. A kickoff meeting to finalize the design and set the requirements for the RFP for a vendor to support printing the ABS will be held by July 30, 2023. After that meeting, we will set a target date for completion of the project.</p>				



Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
	Strategic	Executive (MOG)	01/01/2013	10/30/2023
	Project Lead(s): JJ Popowich & Lynn Francisco			
	On Schedule			
<p>PEPRA Implementation: FAC Issue: The Final Average Compensation for PEPRA members is exclusive of most pay items except base pay. The County uses pay code 099 as their base pay code. This pay code has embedded pay items within the code that are not pensionable compensation under PEPRA. To accurately calculate a member's benefit, these non-pensionable compensation items need to be filtered out.</p>	<p>As of late April 2023, the LACERA team and Auditor Controller's Office continue to meet regularly and make progress towards the agreed upon deadline of June 30, 2023.</p> <p>In mid-January, the two teams met, along with LACERA CEO Santos Kreimann, and LA County Auditor-Controller Arlene Barrera, to discuss the urgent necessity of completing the project. Based on availability of AC resources, the two teams will begin working on the final stages of this project in February and have committed to working towards a July 2023 completion date. The team has been meeting bi-weekly to ensure we remain focused on completing this project on-time.</p> <p>On March 16, 2023, AC provided a test file on the PEPRA embedded earnings. Systems and QA division collaborated on testing and confirmed the file provided the appropriate data necessary to calculate a more accurate Final Average Compensation. Systems is now working on updating our internal programs to use these files in a production environment. We are on track to meeting the July 2023 target date for the AC to make all changes and LACERA to start receiving time forward data. However, the team has determined that it will take additional time to import ten years of data to support the changes. Therefore, we have updated the target date to complete this project to October 30, 2023.</p> <p>A secondary effort to use Robotic Processing Automation (RPA) to help automate the manual process of accessing member payroll records and entering the required information into the manual Excel sheets used to calculate the FAC is on-going. The AC and LACERA had held several discovery meetings to help AC programmers understand the manual process. The AC and ISD teams working on this application provided a demo to the LACERA team in May.</p>			



Given that the RPA will not be completed prior to the AC completing the permanent solution, the team has been evaluating the need to continue development. Ultimately, the team determined that there is value to the RPA process when having to manually research accounts for problems and appeals. The team will be providing feedback to the ISD team to assist them with the next phase of the development of this tool.

Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
	BSG	Executive (BSG)	01/01/2023	TBD
	Project Lead(s): Luis Lugo and Gnan Arige (PM)			
Delayed				
<p>Policy Management Solution: LACERA seeks an automated solution to support LACERA Policy Management Process.</p>	<p>In September 2022, the Information Technology Coordination Council approved a policy management project to automate the creation, review, approval, and maintenance of LACERA policies as well as track the versions and acknowledgement of policies. Funding for this project was included in the FY 2022-23 budget. The policy management project team issued a Request for Quote (RFQ) and reviewed quotes submitted by interested vendors and consultants.</p> <p>The Policy Management Project Team has been working on the requirements and scope of the initiative. The goal is to finalize the Policy Management Solution’s requirements and scope and present them to the Policy Management Committee for approval at its July 10th meeting before sharing them with Compass 365 as part of the vendor’s Statement of Work.</p>			



Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
	Strategic	Executive (MOG/BSG)	06/15/2022	08/31/2023
	Project Lead(s): JJ Popowich & Shonita Peterson (PM)			
	On Schedule			
<p>Prepaid Bank Card Project: Introduction of a prepaid bank card option for monthly benefit payments</p>	<p>In June 2022, the OOC approved the release of a Request for Proposal (RFP) for a Prepaid Debit Card Service. LACERA seeks an easily accessible alternative to paper checks for monthly participant retirement and survivor benefit payments. The goals are three-fold: to provide a lower cost alternative to issuing checks for those participants without a banking relationship who are likely to pay fees to access their benefit payment, to reduce the number of monthly benefit payment checks issued by LACERA, and to create a more reliable payment process in the event of a disaster that impacts the ability to mail monthly paper checks. A secondary goal is to reduce or eliminate paper checks that are mailed to one-time payees by offering prepaid bank cards and direct deposit for death benefits and withdrawals.</p> <p>On September 30, 2022, LACERA received two proposals for Prepaid Debit Card Services. A cross functional evaluation team reviewed the proposals, and the vendors presented their services to the team. The selection team identified Conduent as the vendor of choice and the recommendation was approved by the Board of Retirement at the April 2023 board meeting.</p> <p>The team is currently working with Conduent to finalize the Statement of Work and entering the contract negotiation state.</p>			



Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
	MS	Executive Office		11/01/2023
	Project Lead(s): Jonathan Tran and Maritza Perez			
	On Schedule			
<p>Retirement Counseling Redesign Project:</p> <p>The basic retirement counseling process for members considering retirement has not changed in many years. While checklists used to counsel members have been updated over time, a top to bottom review of the process has not occurred in some time.</p> <p>The Member Service team has undertaken a project to modernize the counseling process to incorporate a true omnichannel approach by integrating the Retirement Planning section on LACERA.com and the My LACERA portal into the counseling process. Integrating these resources into the retirement counseling process will allow members to connect with LACERA in more ways than ever and help pave the way for future innovations and streamlined services.</p>	<p>A team of Member Services subject matter experts under the direction of the project leads have been meeting and developing a new retirement counseling model.</p> <p>The team has reviewed all data points and information shared with members during counseling sessions ranging from a few minutes to the more in-depth counseling sessions lasting an hour or more. The review is intended to ensure we are covering all of the vital information needed during our counseling sessions. The results of this review have led to updates to various checklists, collateral material provided to members and also seeks to integrate the new Retirement Planning section on LACERA.com and My LACERA portal into the counseling process.</p> <p>Over the last few months, the team has been beta testing this new counseling model during actual member counseling sessions. This beta testing process has allowed the team to collect vital member and staff feedback on the new model.</p> <p>The team is now in the final stages of this project. They are working with the Communications team to update the Retirement Planning section on LACERA.com with additional information that will support key discussion points and feed into new communication collateral.</p> <p>Training for all Member Services staff is expected to begin within the first quarter of FY 2023-2024.</p>			



Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
		RHC	Exec	March 2021
Project Lead(s): Santos H. Kreimann & Luis A. Lugo				
Delayed				
Retiree Healthcare Administration: Lifetime Maximum Benefit Project	LACERA and the County CEO's office are still in active communication. We met with the County at the end of June 2023. LACERA's consulting actuary and retiree healthcare consultant prepared a preliminary analysis and discussed it with the County. LACERA plans to provide the board with a formal report on the status of the LMB in August 2023.			

Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
		Strategic	Exec (MOG)	07/01/2022
Project Lead(s): Kevin Hawkins				
On Schedule				
Tax Table Changes for 2022: Phase II: Online Tax Calculator & ADR Re-design	Earlier this year, the Project Management Group worked with tax counsel to understand the intricacies of the changes to the W-4P tax withholding form for 2022.			
The IRS published updated tax tables for 2022 which became effective January 1, 2022. The IRS finalized a revised Federal Withholding Certificate for Pension & Annuity Recipients (commonly referred to as a W-4P tax withholding form). These follow up projects are designed to improve the overall Member Experience	The team completed the rollout of the new Federal Withholding Certificate for Pension & Annuity Recipients (commonly referred as a W-4P withholding form) on time. This included updating Workspace so staff can enter member tax elections in compliance with the new form design, as well as My LACERA so members can complete tax election changes themselves.			
	The team also identified additional tasks that need to be completed in Phase II of the rollout. These tasks include:			
	<ul style="list-style-type: none"> Developing and releasing a tax calculator on the Member Portal. This tax calculator is a planning tool separate from the election function that was previously released. The tax calculator is also scheduled to be integrated into the retirement estimate process so members can see what their net 			



	<p>pay would be after taxes. Specifications for the initial version have been finalized, and programming is underway. Systems provided a demonstration to stakeholders in May 2023. Systems added an initial version of the calculator to Workspace in June 2023 for select staff to test and provide feedback.</p> <ul style="list-style-type: none"> An Automatic Deposit Receipt ADR redesign. Staff are working with the vendor to determine if all the information for the proposed ADR redesign will fit into the same amount of space allotted for the current ADR information. Staff developed a redesign that will fit the allotted space. A business rule with an embedded copy of the proposed layout has been distributed to stakeholders for approval.
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Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
	BSG	Exec (BSG)	October 2021	July 31, 2023
	Project Lead(s): Laura Guglielmo, Ted Granger & Cookie Jaranilla			
	Pushed Back			
<p>Travel/Expense/P2P Software: LACERA has procured “Certify” software created by Emburse, an accounts payable automation and expense management provider.</p>	<p><u>Accounts Payable (AP) Module</u></p> <p>The AP Project Team has resumed its User Acceptance Testing (UAT) with the AP Certify Implementation Team. The Certify Implementation Team has now involved its Certify Lead Project Manager to ensure that the issues discovered during the UAT Process will be tracked and managed efficiently by providing realistic completion dates and assigning them to the appropriate Certify Subject Matter Experts for development and completion.</p> <p><u>Data Integration with Dependent Systems</u></p> <p>The LACERA team is working on the integration of the AP Certify solution with our general ledger, budget, and contract management systems. They are documenting the flow of data between the dependent systems.</p>			



Existing Projects/Initiatives: No New Updates

This portion of the Operations Briefing will detail on-going projects that have no current changes in status.

Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
		MOG	Benefits	04/01/2021
Project Lead(s): Louis Gittens				
Delayed				
<p>COLA Bank Retroactive Changes: In April of 2021, the Board of Retirement approved corrections to the COLA Accumulation Bank, which involved making retroactive corrections, recalculating benefit allowance amounts, and paying members retroactive benefits due to a discrepancy discovered in the COLA Accumulation.</p>	<p>The project was broken down into five phases based on the complexity of the calculations needed to pay retroactive benefits to members. We will resume working on this project in July 2023.</p> <p>Phase I-IV: As of the date of this report, LACERA has paid out just over \$3.8 million in retroactive COLA earnings. Of the 9,672 members and survivors impacted, 8,511 accounts have been systematically resolved, which represents all members and survivors currently in a payment status.</p> <p>The fourth phase of the project, which requires manually calculating the retroactive benefits, includes 1,494 cases in a payment status. The manual phase of the project began in December 2021. Staff have manually calculated COLAs for 455 members and payments were issued earlier this year.</p> <p>Phase V: The final phase involves deceased members with no survivors currently receiving benefits. This phase requires research to identify the appropriate beneficiary(ies) or estates to pay the retroactive benefits that were due to the deceased member. This phase is currently delayed due to staffing limitations and the focus on the Alameda Decision Implementation.</p> <p>Systems and Benefits have been reviewing the root cause for the manual processing and developing plans for redesigning some portions of our pension administration system to help alleviate the need for processing for future projects.</p>			



	COLA Bank: Retroactive Payment Project		
	Status (As of 3/31/23)	Number	Percentage
	Completed	8,511	88%
	In-Process	1,161	12%
	Grand Total	9,672	100%

Although previously delayed, Benefits is in the process of training new staff on this project to perform manual processing.

Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date	
		Strategic	Exec (MOG)	02/28/2022	12/31/2023
		Project Lead(s): JJ Popowich & Cynthia Martinez			
	Pushed Back				
<p>Communications Plan: The development of a strategic Communications Plan providing an overview of the guiding principles used to communicate with LACERA’s various stakeholder groups. The plan will also provide an overview of the channels, resources, methods, planned campaigns, and current commitments of the Communications team. The plan will outline how our communications Division has been designed to be flexible and responsive to our needs as we fulfill our communication goals.</p>	<p>The LACERA executive team met on August 30, 2022, to review and discuss the Communication Plan(s) drafted by both EKA (the Board of Retirement’s public relations consultant) and the LACERA Communications division. Both plans outlined a more tactical approach to engaging our members and various stakeholders, as opposed to a strategic roadmap. The team discussed opportunities and ideas for improving the Communication plan document. We are going to coordinate these efforts with our Strategic Planning process, since the work overlaps with our current Strategic Planning efforts.</p> <p>The Communications team has completed the updates requested by the Executive Office and the plan is currently under review by the Executive Team.</p>				



Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
	Strategic	Executive (MOG)		
	Project Lead(s): Louis Gittens			
Delayed				
<p>Pre-2003 Pension Reserve Clean-up: Prior to January 1, 2003, non-vested contributory individuals were required to withdraw their contributions upon termination as they were not entitled to future benefits. The law was changed as of that date and non-vested members are now permitted to leave funds on deposit and later retire. LACERA has attempted to contact the non-vested individuals who terminated prior to 2003 and still have funds on deposit so they can withdraw their funds.</p> <p>The purpose of this project is to ensure that LACERA sends written notice through Certified mail to the most valid address we can find. Individuals in this group who still have funds on deposit after this initiative will have their funds placed into the Pension Reserve.</p>	<p>LACERA has sent notification to the remaining 673 affected individuals. We are in the process of determining which letters were returned to LACERA. Our next course of action is to find secondary addresses for those individuals and re-send the notification through Certified mail.</p>			



Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
		Strategic	Exec (MOG)	
Project Lead(s): Vanessa Gonzalez				
Pushed Back				
<p>Retirement Estimate Redesign: A legacy strategic plan goal to redesign the retirement estimate and election form as a retirement prospectus to provide members with all the information they need to make an informed decision about their retirement.</p>	<p>The initial redesign work was completed in 2019 and a beta test with members at the Member Service Center (MSC) was scheduled for after the 2019 March Madness. However, the COVID-19 Pandemic placed this project on hold.</p> <p>The team re-evaluated the redesigned estimate, taking into account staff and member feedback gathered over the last few months. The first re-design turned out to be more complicated than would be useful.</p> <p>In late 2022, LACERA updated the Retirement Planning section on LACERA.com and released a new Retirement Election form. The team will be using this election form and the feedback gathered to create a new retirement estimate. This coincides with a larger Member Experience effort to standardize and streamline retirement counseling across all available channels and incorporating LACERA.com in the counseling process.</p> <p>The team also recognized the previous work on this project may be useful in creating the online retirement application.</p>			

Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
		Operations	Exec (MOG)	June 2021
Project Lead(s): JJ Popowich				
Pushed Back				
<p>Retroactive Payroll Adjustments: Prospective Correction The Auditor-Controller is responsible for collecting contributions on all</p>	<p>Following the AC's programming change, LACERA implemented a testing regimen to ensure that the contributions were being deducted as expected.</p>			



compensation earnable and pensionable earnings compensation at the time of payment. For many years, the AC has not been collecting contributions on retroactive payroll adjustments. In 2021, the AC made changes to their programming to take deductions at the time of payment. However, there are still some situations where these contributions are not being collected.

In August, the AC notified LACERA that they were adjusting the time frame that they would be withholding contributions for retroactive adjustments to 60 months (from the current 99 months). All retroactive earnings paid for pay periods more than 60 months in arrears would no longer have contributions deducted from them. This change was made by the County due to excessive degradation in their payroll system's performance.

In 2022, LACERA met with the AC's team to discuss collection of contributions for adjustments more than 60-months old. A few ideas were generated from the meeting, and we will continue to work with them to develop a procedure that both the County and LACERA can support. At this time, we have pushed this project back and are monitoring to identify any accounts over the 60 months for escalated collection actions.



• Completed Projects/Initiatives

This portion of the Operations Briefing will detail projects and initiatives that have been completed during the Fiscal Year (beginning on or after May 2022).

Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
	BSG	Financial & Accounting Services Division	August 2022	May 2023
Project Lead(s): Ted Granger				
Completed				
<p>Actuarial Valuation Reports – Retirement Fund: 2022 Retirement Benefits – Investigation of Experience (Experience Study)</p> <p>The Government Code requires that valuations of the Retirement Fund (Pension Plan) be performed at least once every three years. The Board of Investments’ 2013 Retirement Benefit Funding Policy requires valuations be completed annually. These reports are prepared to determine employer and employee contribution rates and to measure the funded status of the Pension Plan. In addition, the valuation report provides information used to prepare the Governmental Accounting Standards Board (GASB) Statement Number 68, financial statement reports. Plan Sponsors use the</p>	<p>2022 Pension – Triennial Investigation of Experience Study and Annual Actuarial Valuation Report for Retirement benefits (Pension) actuarial projects for the 2022 reporting cycle have been completed and approved by the Board of Investments at their March 8, 2023 meeting.</p> <p>On May 4, 2023, the Los Angeles County Board of Supervisors approved the member and employer contribution rate changes effective July 1, 2023. The Los Angeles County CEO office sent LACERA the final member contribution rates for all Plans including negotiated rates for General Plan A and Safety Plan B.</p> <p>For June 30, 2022, Milliman completed an investigation of experience, which is required by CERL to be conducted every three years to review the retirement benefit economic and demographic assumptions and recommend changes. Changes in the assumptions will impact the actuarial valuation results and employer and employee contribution rates.</p> <p>Milliman made three (3) presentations to the BOI this fall to review and determine the June 30, 2022, actuarial assumptions, and methods. In addition, fiduciary counsel made a presentation at the BOI meeting in October to underscore the importance of this process.</p>			



GASB reports to obtain information required for their financial statement disclosures.

Milliman completed the annual actuarial valuation report and presented it to the BOI in March 2023. The BOI approved the report which included key pension plan funding data as well as updates to the member and employer contribution rates. Staff prepared a memo to the Los Angeles County Board of Supervisors (BOS) for their May 2023 meeting, requesting the BOS adopt the new contribution rates effective July 1, 2023.

LACERA engages a second independent actuarial consulting firm, Cavanaugh Macdonald Consulting (CMC), to conduct actuarial review services. CMC reviewed the method and assumption setting process to ensure consistency with actuarial standards and performed separate calculations to compare with the consulting actuary's amounts. CMC concluded that for the 2022 reporting cycle, Milliman's process followed actuarial standards and determined Milliman's actuarial results were reasonable.

LACERA updated the website so members can obtain the new contribution rates and will update the internal member database. LACERA staff met with Local 1014, Coalition of County Unions (CCU), and SEIU to provide an overview of the actuarial process that determined the member contributions rate changes for the upcoming fiscal year.



Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date	
	BSG	Financial & Accounting Services Division	May 2022	December 2022	
	Project Lead(s): Ted Granger				
Completed					
<p>Annual Financial Statement Preparation and Audit: Government code sections require that LACERA prepare annual financial statements including footnotes and disclosures, obtain an external audit opinion of those statements, and transmit these reports to the Los Angeles County Board of Supervisors within six-months following the fiscal year end.</p>	<p>2022 – Annual Financial Statements/Audit Staff kicked off the June 30, 2022, financial statement reporting season. Plante Moran, LACERA’s external financial statement auditor, completed their interim fieldwork in May with audit testing focused on member data and benefit calculations. In October, Plante Moran completed their testing, audit inquiries, and issued their audit opinion. LACERA received an unmodified or “clean” audit opinion as of October 14, 2022. Plante Moran presented the financial statement audit results to the Audit Committee at their meeting on November 17, 2022, and submitted the Audited Financial Statements (AFS) to Los Angeles County thereafter.</p> <p>Communications and FASD partnered to prepare the Annual Comprehensive Financial Report (ACFR). This ACFR is essentially an enhanced version of the AFS but includes some additional information such as the transmittal letter from the CEO, organizational chart, and Trustee names and photos. LACERA completed and distributed the 2022 ACFR at the end of December to Trustees, MAC, and posted it to LACERA’s website. In addition, LACERA submitted the annual financial report to the Government Finance Officers Association (GFOA) for their annual awards program.</p> <p>Communications and FASD completed the Popular Annual Financial Report (PAFR) which is a pamphlet style document that is an abbreviated version of the ACFR. The PAFR was mailed out to all members with the December 2022 newsletters.</p>				



Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
		BSG	Financial & Accounting Services Division	July 2021
Project Lead(s): Ted Granger				
Completed				
<p>Actuarial Valuation Reports: OPEB: The retiree healthcare (RHC) program administered by LACERA on behalf of Los Angeles County includes retiree healthcare benefits such as medical and dental insurance plans and death benefits. GASB refers to these benefits as Other Post-Employment Benefits (OPEB) for financial reporting. GASB Statement Number 75 prescribes financial statement reporting standards for OPEB programs. Actuarial valuations are prepared annually for Los Angeles County and LACERA's Board of Retirement to make funding decisions and to provide the information for the GASB 75 report which is used for employer financial statement reporting.</p>	<p>2021 OPEB – Annual Valuation The July 1, 2021, OPEB Valuation Report is complete. Milliman presented the final Valuation Report to the Board of Retirement in August 2022. Milliman will address the LACERA OPEB liability and discuss LACERA's funding progress and any potential funding strategies should the Board want to consider.</p>			



Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
	BSG	Financial & Accounting Services Division	January 2021	June 2022
	Project Lead(s): Ted Granger			
Completed				
Actuarial Valuation Reports – Retirement Fund: 2022 Retirement Benefits - Risk Assessment.	2022 Pension – Annual Risk Assessment Milliman prepared the 2022 Annual Risk Assessment report based upon the most recently completed valuation report and presented a final report to the Board of Investments (BOI) at their June 2022 meeting.			

Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
	BSG	Administrative Services	April 2022	June 2022
	Project Lead(s): James Beasley			
Completed				
Annual Insurance Renewal – Phase I: After the Insurance Team’s completion of a successful solicitation, the BOR approved the replacement of LACERA’s current insurance brokerage firm. Alliant Insurance Services, Inc. (Alliant) was selected as the new Broker of Record for LACERA effective April 29, 2022.	LACERA’s new Broker of Record, Alliant Services, Inc., has obtained quotes and is binding policies with carriers for the June 30 th insurance renewal period. The Insurance Renewal Team and brokers provided an update on the insurance policy selection at the August Operations Oversight Committee meeting.			



Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date	
	BSG	Administrative Services	July 2022	October 2022	
	Project Lead(s): James Beasley				
Completed					
<p>Annual Insurance Renewal – Phase II: After the Insurance Team’s completion of a successful solicitation, the BOR approved the replacement of LACERA’s current insurance brokerage firm. Alliant Insurance Services, Inc. (Alliant) was selected as the Broker of Record for LACERA effective April 29, 2022.</p>	<p>The Risk Management Unit has completed the 2022-2023 Fiduciary, Cyber, and Crime Insurance renewals. At the September 7, 2022, Board of Retirement (BOR) meeting, staff provided the Trustees with an overview of the current insurance marketplace and discussed the challenges with purchasing Fiduciary Liability, Cyber Liability, and Crime Protection Insurance for LACERA. The Risk Management Unit provided the BOR with preliminary premium indications for each line of coverage, which was approved by the BOR, with a caveat that the final annual premiums would not exceed the estimated premium.</p> <p>Alliant presented the final insurance premium quotes for each line of coverage to LACERA, which was \$251,144 less than what was presented to the BOR. The overall cost for Fiduciary Liability, Cyber Liability, and Crime Protection insurance premiums for FY 2022-2023 is \$870,162. This is a 1% decrease from FY 2021-2022 and is \$126,580 less than what was approved for FY 2022-2023. This information will be provided to the BOR at the November 2, 2022, meeting.</p>				
	2022-23 Fiduciary/Cyber/Crime Renewal Final Cost Breakdown				
	Coverage	Carrier	Actual Premium	Quoted to BOR	Difference of actual vs BOR approved
	Fiduciary Liability	Hudson Insurance Company/ RLI Insurance Company/ Westchester Fire Insurance Company	\$396,723	\$408,890	(\$12,167)



	Cyber Liability	Tokio Marine/ Homeland Insurance Company/ Ambridge/ Corvus Insurance	\$399,464	\$622,774	(\$223,310)
	Fiduciary Liability OPEB	Hudson Insurance Company	\$52,189	\$64,012	(\$11,823)
	Crime Protection	Great American Insurance	\$21,786	\$25,630	(\$3,844)

Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
	MOG	Exec (MOG)	06/01/2022	09/16/2022
	Project Lead(s): JJ Popowich & Cookie Jaranilla (PM)			
	Completed			
Call Center Improvements: Phase I – Call Wait Time – Call Back: Phase I focuses on implementing a call back request feature to allow members on hold to request a call back between the hours of 10-3. Additionally, this phase will include the ability to announce call wait times.	The Call Back feature was introduced into production effective September 30, 2022. Since then, we have been evaluating the impacts of the Call Back feature and adjusting how the feature works to try to maximize the member experience. We are not ready to make a final assessment but, based on early data, the Call Back feature, as designed, may not be having the beneficial impact hoped for. As explained before deploying this project, the AWS Call Back feature is not a “hold your place” feature. Thus, we had to assign specific agents to work a new Call Back queue on a priority basis or as a full-time assignment. This has reduced the number of Specialists available to answer the main Member Services queue. This has led to increases in the wait time in the main queue. Additionally, because the feature is popular, we have experienced an extremely long “return call” wait time and complaints from members appear to be increasing. We have tweaked the messaging to prepare members for the long response time, but we are also			



	<p>seeing many members calling back before we are able to return their call. Essentially, this increases call volumes, and exacerbates the increased wait times. We will continue to evaluate the features. We anticipate better results once trainees can take calls on their own. We anticipated these customer service level results based on current staffing levels but will look to reassess when we on-board the new trainees.</p>
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Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
	MOG	Exec (MOG)	06/01/2022	10/20/2022
	Project Lead(s): JJ Popowich & Cookie Jaranilla (PM)			
	Completed			
<p>Call Center Improvements: Phase III – Holiday Scheduling Automation Automates the scheduling of holidays for the call centers, eliminating the risk of human error and accidentally opening the call center on a holiday with no staff.</p>	<p>Currently the Systems team manually turns on the holiday messaging and voicemail boxes. This phase will allow them to pre-set holidays eliminating confusion as to the availability of the call center staff during holidays.</p> <p>This phase of the project is completed and will be in production by October 20, 2022.</p>			

Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
	MOG	Exec (MOG)	06/01/2022	10/20/2022
	Project Lead(s): JJ Popowich & Cookie Jaranilla			
	Completed			
<p>Call Center Improvements: Phase IV – Emergency Access Console Provide ability to enable/disable an emergency announcement for each respective queue MS or RHC when all agents are logged out as well as</p>	<p>This phase of the project is completed and entered in production by October 20, 2022.</p>			



during specified date/time range as may be set.	
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Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
	MOG	Exec (MOG)	06/01/2022	10/31/2022
	Project Lead(s): JJ Popowich & Cookie Jaranilla (PM)			
	Completed			
<p>Call Center Improvements: Phase V – After Call Service Survey</p> <p>Members will be provided with the chance to complete an “after-call” survey for Call Center interactions.</p>	<p>Call Center surveys are a key component of the Call Center KPI. This allows us to gain insight into the member experience. This feature was added to the current enhancement projects because we felt it was critical to gain member feedback on the changes we are making to the Call Center, which include the call back feature as well as introduction of the My LACERA Support queue.</p> <p>UAT was completed on October 18, 2022, and this feature went into production on October 20, 2022.</p>			

Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
	BSG	Exec (BSG)	January 2022	August 2022
	Project Lead(s): Jude Perez & Esmeralda Del Bosque			
	Completed			
<p>Custodian Bank Search:</p> <p>In accordance with LACERA’s Procurement Policy, vendor contracts for investment and custodian banking services must be re-bid every ten years. LACERA’s current custodian bank, State Street Bank, was hired in July 2013.</p>	<p>The Board of Investments approved the minimum qualifications at their December meeting. The Investment Office finalized and released the Request for Proposal (RFP) in January with proposals due at the end of March. Financial Accounting Services Division and other LACERA staff are evaluating the information received and conducting due diligence. In June, LACERA staff conducted an on-site visit at State Street’s Sacramento offices and expects to provide a recommendation to the Board of Investments in August. The Board of Investments approved the staff recommendation to retain State Street Bank. Staff is working with the Legal Office to negotiate and finalize the contract.</p>			



Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
	BSG	Exec (BSG)	03/01/2022	08/01/2022
	Project Lead(s): Laura Guglielmo, Budget Team, & Cookie Jaranilla (PM)			
	Completed			
<p>Enterprise Budget Application Selection Process: Per a recommendation by Budget staff, the Operations Oversight Committee (OOC) on March 2, 2022, authorized an RFP for software and professional services to procure, configure, and implement an enterprise budget application for the Budget Unit in the Administrative Services Division. The RFP was published on LACERA.com on March 7, 2022.</p>	<p>On April 14, 2022, LACERA received proposals from nine vendors. LACERA's evaluation team, with guidance from the consultant, reviewed all the proposals and based on the ratings, narrowed down the list to the top two vendors. The finalists have been invited to demonstrate their solutions following a detailed proof of capabilities script. These demonstrations were completed in July. The final vendor has been identified by the selection team, and a recommendation will be made to the Board of Retirement for its consideration in October 2022. If approved, the team will negotiate an agreement with the selected vendor. The project implementation timeline is 26 weeks, depending on staff subject matter expert availability.</p> <p>The Board of Retirement approved the selected vendor, Questica. Staff completed contract negotiations and signed the contract with Questica on October 25, 2022. Following the contract signing the project entered the implementation phase and is tracked under the project: "Enterprise Budget Application (Questica) Implementation."</p>			

Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
	BSG	Exec (BSG)	01/2021	06/2022
	Project Lead(s): Summy Voong			
	Completed			
<p>Enterprise Wi-Fi Project: Approved in the Fiscal Year 2020-21 budget adjustments by the BOR, the Systems Division is currently installing an enterprise Wi-Fi network.</p>	<p>All fiber, cables, access points, and switches have been installed on all LACERA floors and five segmented networks have been configured and tested. The Systems Division will deploy the final segmented network to on-site staff on August 1, 2022.</p>			



Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
	EXEC	Executive (MOG)	10/01/2022	03/01/2023
	Project Lead(s): Cynthia Martinez			
Completed				
<p>Member Experience: Celebrating a Lifetime of Public Service – Member Spotlight</p> <p>The working title for a new effort to increase the LACERA communities' awareness of the lifetime of service that some of our members contribute to the public through a variety of communication channels with our members.</p>	<p>Many of our members devote most of their working lives to serving the community through their employment as County employees. This new project will set in place a selection process to highlight the service of a retiring member with a significant number of years of service. The goal is to share a bit about their journey and recognize their accomplishments and contributions. These highlights will be shared on a scheduled basis (currently envisioned to be quarterly) across multiple channels (newsletters, and at Board of Retirement meetings [with the consent of the trustees]).</p> <p>The team has completed the first phase of this project including developing a process for soliciting member participation, creating interview questions, and legal release documents so we can use the member's name and image for the program. The program has been re-branded the Member Spotlight initiative to broaden the focus from members retiring to members at different stages of their careers.</p> <p>The team has completed articles released in the PostScript, March 2023 issue, highlighting four of our long-serving members. The team also debuted the first Member Spotlight in the March 2023 Board of Retirement meeting.</p> <p>This completes Phase I of this program and is just the beginning of the program to spotlight our members. We will be continuing our efforts to fine tune the process as we work to create a sustainable program.</p>			



Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
	Legal	Legal	08/16/2022	03/01/23
	Project Lead(s): Jessica Rivas			
	Completed			
Form 700 Project (Granicus): Implementing the Granicus Form 700 electronic filing system. This will allow us to improve our efficiency and tracking of the annual mandated form 700 filing process.	Onboarding was completed in February. The FPPC certified LACERA’s new e-filing system on March 2 nd , and the system went live for filing staff (except the CEO and CIO), consultants, and managers on March 3, 2023. Trustees and the CEO and CIO should continue to file using the County’s system or by emailing their forms to LACERA’s Legal Division (although if they use the new LACERA system, LACERA will print the form in pdf and submit it to the County). The deadline for annual Forms 700 was April 3, 2023. Use of the new system for the filing of Forms 700 this season is under regular review and audit.			

Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
	MOG	Exec (MOG)	06/01/2022	12/31/2022
	Project Lead(s): JJ Popowich, Alex Ochoa, & Iveta Brecko (PM)			
	Completed			
My LACERA Multi-Factor Authentication: Registered users of My LACERA can now use multi-factor authentication to reset passwords and to access My LACERA from an unrecognized device.	My LACERA previously relied on user selected challenge questions to authenticate users who forgot their password or attempted to access My LACERA from an unrecognized device. LACERA has implemented multi-factor authentication to replace the use of challenge questions. This feature was Beta Tested from November 16, 2022, to December 24, 2022, and went into production on December 29, 2022. Since the production implementation of this feature, multi-factor authentication has been used 1,577 times to reset passwords and 13,050 times to access My LACERA from an unrecognized device.			



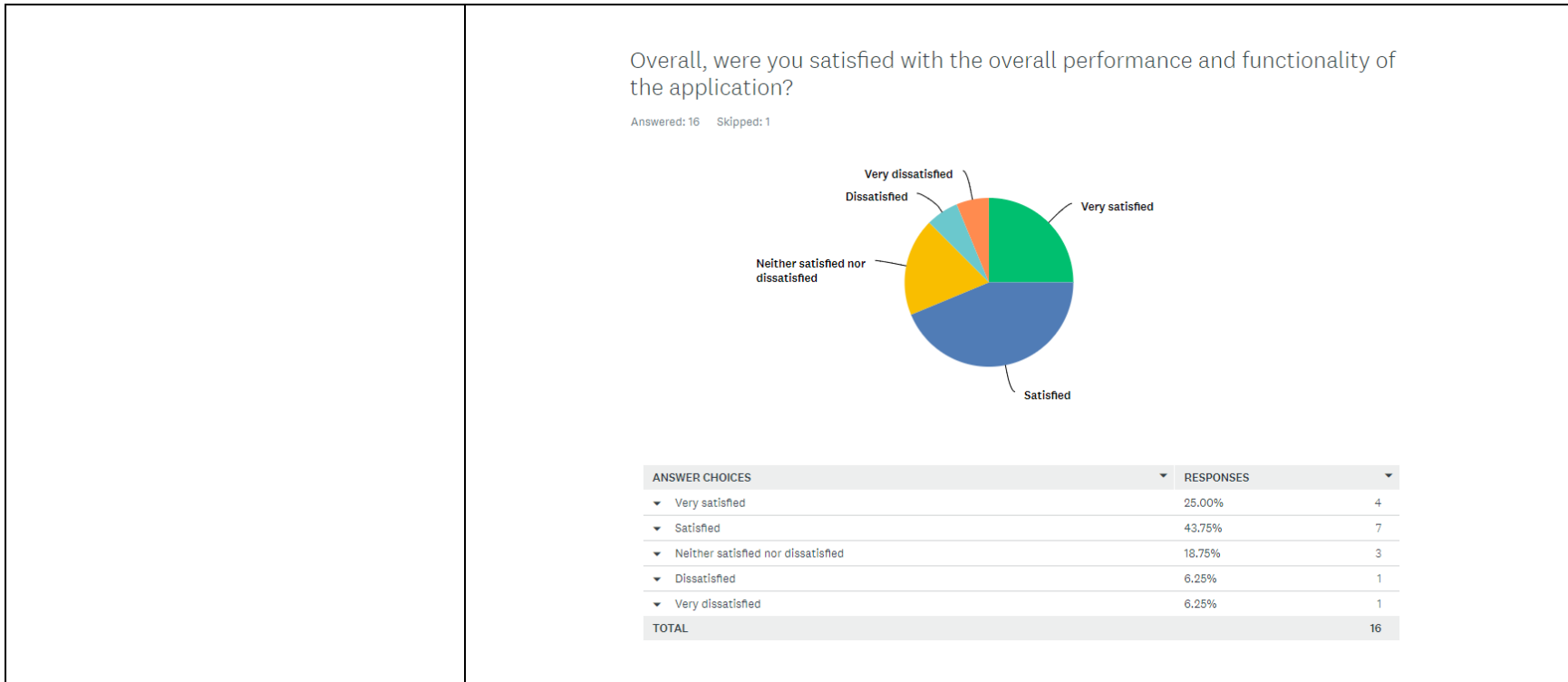
Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
		MOG	Exec	08/01/2022
Project Lead(s): Allan Cochran				
Completed				
<p>My LACERA Support Queue: As part of our effort to address Call Wait times a new queue was created to provide specific My LACERA support.</p>	<p>The My LACERA member portal is designed to provide members with secure access to information about their retirement benefits and is a key part of our efforts to provide members with self-service capability. As an online portal there is an expectation that it is securely and easily accessible 24/7.</p> <p>Occasionally, members forget their passwords or their challenge questions, or need assistance using functionality within the portal, including viewing documents and uploading documents so LACERA can process their requests. When members need assistance for an online capability, there is an increased expectation that the assistance will be available on demand during normal business hours.</p> <p>As part of our efforts to improve the member experience, reduce wait time and frustration, we created a new priority call center queue specifically to assist members with My LACERA. Members now have four options when they call the LACERA 800 number: My LACERA Support Queue, Retiree Healthcare, Check Mailing Date Announcement, and Member Services.</p> <p>The new queue went live on August 10, 2022.</p>			

Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
		Strategic	Exec (MOG)	03/03/2022
Project Lead(s): Bonnie Nolley & Linda El-Farra				
Completed				
<p>OneMeeting (PrimeGov) Implementation:</p>	<p>Trustees and staff have been trained on the functionality and use of the new system. OneMeeting will be going live in January 2023.</p>			



The Board of Retirement approved a more effective meeting management tool to help streamline the planning and conducting of Board/Committee meetings while improving transparency and public access.

Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date										
		Strategic	Disability Retirement Services (MOG)	05/04/2021	06/30/2023									
Project Lead(s): Tamara Caldwell & Kathy Delino														
Completed														
<p>On-Line Disability Retirement Application: To facilitate member self-service, improve the member experience, and streamline the intake of disability retirement applications, the Systems Division has been working jointly with the Disability Retirement Division to develop an on-line disability retirement application on My LACERA.</p>	<p>The online application was deployed to LACERA membership on September 8, 2022 (soft launch). After submitting their application, members are provided with a link to a member experience survey. Staff continues to monitor survey responses and application activity and obtain information directly from members concerning functionality and member experience in an effort to improve and enhance the tool going forward. The Communications team has begun the process of making members aware of the new channel for submitting disability applications.</p> <p style="text-align: center;">Application Activity – As of 06/21/23</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td>Applications In Process*</td> <td style="text-align: right;">26</td> </tr> <tr> <td>Applications completed and submitted</td> <td style="text-align: right;">36</td> </tr> <tr> <td>Applications Cancelled – No Activity or by request</td> <td style="text-align: right;">122</td> </tr> <tr> <td>Total since deployment</td> <td style="text-align: right;">184</td> </tr> <tr> <td>Total surveys completed</td> <td style="text-align: right;">16</td> </tr> </tbody> </table> <p style="text-align: center; font-size: small;">*Application started but required elements still pending</p>				Applications In Process*	26	Applications completed and submitted	36	Applications Cancelled – No Activity or by request	122	Total since deployment	184	Total surveys completed	16
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Total since deployment	184													
Total surveys completed	16													



Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
	Legal	Legal	07/08/2022	02/24/2023
	Project Lead(s): Jessica Rivas			
	Completed			
Privacy Policy Review, Update, and Training Update of the agency's Privacy policy and training slides, which have not been updated since 2011 and 2017, respectively. This will provide clearer	Revised versions of the policy and training slides have been drafted, gone through numerous revisions, and were reviewed for a final time by the Policy Committee on January 26, 2023. The final, approved policy is completed, in effect, and posted on LACERA Connect under Legal Division policies. The training slides are also finalized, including a separate version with trainer notes, and are available. In addition, Legal coordinated with HR and Systems and successfully			



<p>guidance to staff on how to protect confidential information.</p>	<p>completed a video training module based on the final slides on February 24, 2023. The video module has been reviewed and is ready for use with the completed training slides. Structured all-staff training will begin in July.</p>
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Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
	<p>Retirement University: Options Videos: The Retirement Options videos are a series of six videos located under the Retirement University section of LAC-ERA.com and hosted on YouTube. Each video provides an overview of the retirement option, the retiree healthcare tiers, and a peak at the type of members who have chosen the option over the last 10 years.</p>	MOG	Exec	03/23/2022
Project Lead(s): Erika Heru				
Completed				

Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
	<p>Return to the Office: LACERA's Administrative Services Division's Health and Safety Unit have been working hard to ensure a smooth return to the office for LACERA's staff.</p>	BSG	Exec	01/04/2022
Project Lead(s): Luis A. Lugo & Carly Ntoya				
Completed				



	<p>The team also worked side by side with the PEP Team and the Executive Team to provide a warm welcome to returning staff. Working together with the PEP Team they decorated the Workshop room, where staff were encouraged to stop by and receive a small welcome back token and a welcome by the Executive Team, managers, and staff from Administrative Services.</p>
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Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date	
		Strategic	Exec (MOG)	07/01/2022	12/31/2022
		Project Lead(s): Kevin Hawkins			
		Completed			
<p>Tax Table Changes for 2022: New Tax Withholding Form The IRS published updated tax tables for 2022 which became effective January 1, 2022. The IRS finalized a revised Federal Withholding Certificate for Pension & Annuity Recipients (commonly referred to as a W-4P tax withholding form), in early 2022. The IRS is not requiring the new form be used until the 2023 tax year.</p>	<p>Earlier this year, the Project Management Group worked with tax counsel to understand the intricacies of the changes to the W-4P tax withholding form for 2022.</p> <p>Member Communication:</p> <p>We've completed the following actions to ensure members are adequately informed of the new Federal Tax table and revised W-4P.</p> <ul style="list-style-type: none"> LACERA.com was updated with an announcement that the new tables may cause a slight change to some members' net benefit amount. LACERA will no longer accept the prior forms as we have transitioned to using the 2022 form exclusively. A Q & A section was added to LACERA.com (also accessible through My LACERA) to explain how LACERA is adjusting the new withholding guidance. As of January 1, 2023, LACERA staff can process tax elections directly on Workspace, and Workspace can calculate federal withholding based on 2022 or later forms and pre-2022 forms if no new form has been received. My LACERA has been updated and members are able to use the new tax election process. 				

DATE RECEIVED	REQUESTER	DOCS REQUESTED
05-17-23	E. Raasch, American Transparency	<p>Request: Electronic document which lists any and all retired employees (members) of the LACERA which were paid a monthly pension annuity (payment) in fiscal or calendar year 2022.</p> <p><i>Transmitted 2 documents.</i></p> <p><i>Legal sent via email, on May 23, 2023, the 2 responsive documents shown below.</i></p> <p><i>Retirees_2022.xlsx and Survivors_2022.xlsx.</i></p>
05-25-23	R. Inchody, Pitchbook	<p>Request: Updated quarterly performance data for alternative asset holdings for 4Q22 and 1Q23.</p> <p><i>Transmitted 2 documents.</i></p> <p><i>Legal sent via email, on June 2, 2023, the 2 responsive documents shown below.</i></p> <p><i>Q4 2022 Private Markets Data.xlsx and Hedge Funds 3Q22-4Q22.xlsx.</i></p>
06-05-23	Secondary Link Team	<p>Request: Alternative Investments information of all limited partnership including details on investments made in secondary funds or continuation vehicles.</p> <p><i>Transmitted 2 documents.</i></p> <p><i>Legal sent via email on, via June 12, 2023, the 2 responsive documents shown below.</i></p> <p><i>Hedge Funds 3Q22-4Q22.xlsx and Q4 2022 Private Markets Data.xlsx.</i></p>
06-09-23	H. Ahaive, HR, LA County, and 1 other Recipient	<p>Per monthly request:</p> <p><i>Transmitted 1 document.</i></p> <p><i>Executive Office sent, via email on June 9, 2023, the responsive document shown below.</i></p> <p><i>MonthlyAgenda.csv for June 9, 2023.</i></p>
06-09-23	LA County Sheriffs Department and 3 other Recipients	<p>Per monthly request:</p> <p><i>Transmitted 2 documents.</i></p> <p><i>Executive Office sent via email, on June 9, 2023, the responsive documents shown below.</i></p>

DATE RECEIVED	REQUESTER	DOCS REQUESTED
		<i>Monthly Agenda Reports for Sheriff Department Listing and Fire Department listing, each dated June 7, 2023.</i>
06-09-23	C. Siverson, Fire, HR, LA County and 5 other Recipients	<p>Per monthly request:</p> <p><i>Transmitted 1 document.</i></p> <p><i>Executive Office sent via email, on June 9, 2023, the responsive document shown below.</i></p> <p><i>Board of Retirement Meeting on June 7, 2023, Benefit Approval List.pdf.</i></p>
06-13-23	B. Campbell, with. Intelligence	<p>Request: List of all investment managers and fund invested in across all asset classes as of today.</p> <p><i>Legal sent to Investments, on June 15, 2023, via email, the request for information. The Portfolio Analytics Group is gathering the responsive information and will be forwarded to the Requester upon receipt.</i></p>
06-14-23	J. Zak, Gapstow Capital Partners	<p>Request: LACERA's portfolio information, updated as of December 31, 2021, and December 31, 2022, for all funds in the Credit portfolio and their market values.</p> <p><i>Transmitted 1 document.</i></p> <p><i>Legal sent, via email on June 14, 2023, the responsive document shown below.</i></p> <p><i>Credit Portfolio 2021 2011.xlsx.</i></p>

REPORT OF FELONY FORFEITURE CASES

June 20, 2023

#	MEMBER'S LAST NAME	MEMBER'S FIRST NAME	DEPT.	CONVICTION DATE	LACERA NOTIFIED	INITIAL IMPACT NOTICE SENT	FINAL IMPACT NOTICE SENT	STATUS*	DISABILITY STATUS	SERV. LEVEL
64	RIDLEY-THOMAS	MARK	BOS	3/31/2023	3/31/2023			PEND		
61	SHEPOS	THOMAS	CEO	1/23/2023	2/14/2023			PEND		
57	ANTRIM	MARC	LASD	4/1/2021	5/12/2021	5/26/2023		PEND		

STATUS LEGEND:

- APPEAL: Pending an appeal filed with LACERA
- CLOSED: RET: Retired member, case is complete
- CLOSED: DEF: Deferred member, case complete.
- CLOSED: INA: Inactive member – not eligible until age 70, case closed
- DELAY-MI: Member input needed (i.e. pending a legal split decision)
- DELAY-CD: Pending a court decision (reduction in charges pending conditions being met)
- PEND: Case is currently in evaluation and notification stages
- WITHDRAN: Member withdrew prior to conviction – no impact.



For Information Only

June 12, 2023

TO: Each Trustee,
Operations Oversight Committee

FROM: 2023 Audit Committee
Onyx Jones, Chair
Keith Knox, Vice Chair
Patrick L. Jones, Secretary
Jason E. Green
Shawn R. Kehoe
Antonio Sanchez
Gina V. Sanchez

FOR: July 6, 2023 Operations Oversight Committee Meeting

SUBJECT: Third Party Data Security Review

At the June 1, 2023, Audit Committee meeting, Internal Audit presented the results of an audit of Third Party Data Security. The Audit Committee voted to accept and file the Audit Report. In addition, the Audit Committee directed staff to forward this item to the Operations Oversight Committee as an Information only report.

Background

This review is part of the Fiscal Year End (FYE) 2023 Internal Audit, Audit Plan. Third-party data security is a foundational element of vendor risk management. It addresses both cybersecurity and data privacy risks, which are two strategic risks all organizations face.

In recent years there have been major technology changes and LACERA has contracted with new vendors who have access to member personal identifiable information (PII), protected health information (PHI), and other confidential LACERA-data (high-risk vendors). Additionally in August 2020, the Executive Office established an Information Security Office.

The scope did not include data transferred as part of public records requests, member-driven requests to credit unions, unions, or health insurance providers, or government requests. Also excluded from the review were Investments contracts and Disability Retirement Services contracts.

Internal Audit identified an opportunity for Administrative Services to build into its control process additional warnings to Contract Administrators, escalating non-compliance to the Executive Office, and implementing consequences, like stopping payments to vendors for contract non-compliance.

Third Party Data Security Review

June 12, 2023

Page 2 of 2

Internal Audit identified an opportunity for InfoSec management to document its review when approving vendor security reports. The documentation should include a checklist of key areas reviewed and any additional research and communications needed to obtain adequate assurance about the vendor's security posture.

LACERA management has agreed with the findings and committed to implementing automated warnings into the new Enterprise Contract Lifecycle System by July 31, 2023. Additionally, management has committed to developing InfoSec procedures for the review and signoff on vendor security reports. The recommendations are estimated to be completed by July 31, 2023.

Attachment

c: Santos H. Kreimann
Luis A. Lugo
Laura Guglielmo
JJ Popowich
Steven P. Rice



LACERA INTERNAL AUDIT DIVISION

Third Party Data Security Review

May 12, 2023

AUDIT PERFORMED BY:

George Lunde, CIA, CISA
Senior Internal Auditor

AUDIT REPORT

Audit Name:	Third-Party Data Security
Responsible Division:	Information Security Office and Administrative Services Division
Audit Rating*:	Opportunities for Improvement
Prior Audit Rating*:	Opportunities for Improvement
Prior Report Date:	July 10, 2015

BACKGROUND

This review is part of the Fiscal Year End (FYE) 2023 Audit Plan. Third-party data security is a foundational element of vendor risk management. It addresses both cybersecurity and data privacy risks, which are two strategic risks all organizations face.

Internal Audit conducted the last third-party data security audit in 2015 and reported issues with initial due diligence and continuing due diligence of third-party security practices. In the seven years since the 2015 audit, there have been major technology changes and LACERA has contracted with new vendors who have access to member personal identifiable information (PII), protected health information (PHI), and other confidential LACERA-data (high-risk vendors). Additionally in August 2020, the Executive Office established an Information Security Office.

AUDIT OBJECTIVE & SCOPE

After preliminary research and analysis, including an engagement-level risk assessment, the objective(s) of this audit were to:

- * Determine whether appropriate language exists in contracts for high-risk vendors (vendors that receive confidential LACERA data, either business or member PII or PHI).
- * Assess LACERA's process for performing initial due diligence of high-risk vendors' systems, policies, and practices to ensure their ability to comply with LACERA's security requirements.
- * Assess LACERA's process for performing on-going due diligence of existing high-risk vendors to ensure that adequate controls continue to protect confidential data and member information.
- * Assess LACERA's process for ensuring that confidential data has been returned or adequately disposed of for terminated high-risk vendors.

The scope of this engagement included:

- Current approved and authorized policies and procedures
- New, ongoing, and terminated high-risk vendors from July 1, 2021 – March 31, 2023

Based on our analysis, there was one new, eight ongoing, and no terminated high-risk vendors.

* See Appendix 1 for Audit Rating

The scope did not include data transferred as part of public records requests, member-driven requests to credit unions, unions, or health insurance providers, or government requests. Also excluded from the review were Investments and Disability Retirement Services contracts.

Based on discussions with the Information Security Office and our own research, we used the following source criteria to assess LACERA's Third-Party Data Security processes:

- LACERA's Purchasing and Contract Administration Manual
- Institute of Internal Auditors' (IIA) Practice Guide
- National Institute of Standards and Technology (NIST) Framework

The audit was performed in accordance with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing.

AUDIT RATING & SUMMARY OF FINDINGS

In our opinion, the key controls applicable to the Audit Scope have **Opportunities for Improvement**.

LACERA's third-party data security process has matured since our last audit, with the creation of an Information Security Office, enhanced contract requirements regarding data security, and the expanded use of a contract management system to store and monitor contracts.

- We reviewed the nine active contracts for high-risk vendors and found that all contracts included the language and clauses recommended in the IIA's Practice Guide.
- We found the initial data security due diligence for the new high-risk vendor was compliant with LACERA's Procurement Policy.

However, we found opportunities for improvement in this inherently high-risk area, as detailed on the following page:

Summary of Findings

Finding#	Page	Finding Title	Risk Rating**
F1	5	Inadequate communication regarding non-compliance with vendor contracts	High
F2	7	No formal procedures for review of vendor security reports.	Low

The above Findings are detailed in the following pages, including our Recommendations and Management Action Plans.

We would like to thank the Information Security Office and Administrative Services for their cooperation with this audit.

REVIEWED AND APPROVED



Richard P. Bendall
Chief Audit Executive

Date: May 12, 2023

**See Appendix 2 for Findings' Risk Rating

REPORT DISTRIBUTION

2023 Audit Committee	Santos H. Kreimann, CEO	Steven Rice, Chief Legal Counsel
2022 Plante Moran Audit Team	Luis Lugo, DCEO	Roberta Van Nortrick Interim Admin. Svc. Mgr
Robert H. Griffin, Audit Committee Consultant	Laura Guglielmo, AEO	Carmelo Marquez Interim CISO
Internal Audit Group	J.J. Popowich, AEO	

FINDING #1

Inadequate communication regarding non-compliance with vendor contracts

Risk Level**
High

OBSERVATION

We noted LACERA had eight on-going contracts with vendors that received confidential data during the scope period of the audit. Based on test work, we observed that of those eight vendors:

- Three vendors' SOC2 reports, ITSC/ITGC reports or SOC2 bridge letters (security reports) were current and approved by the Information Security Office (InfoSec), and in the contract management system.
- Four vendor security reports were received between one and eight months after the previous security report's expiration date but have now been reviewed and are in the contract management system.
- One vendor's (Vendor X) security report was the original report received when the contract was initiated in 2018.
 - During the audit, Administrative Services contacted the Contract Administrator in August 2022 and provided information about the security report requirement.
 - The Contract Administrator contacted the vendor in September 2022 and the vendor stated they would provide the report in a few weeks.
 - In November 2022, the vendor provided the report to the Contract Administrator.
 - In April 2023, when Internal Audit was finishing fieldwork, we requested the updated security report and learned Administrative Services had not inquired about it and the Contract Administrator had not provided it.
 - The updated security report has now been received and sent to InfoSec for their review.

Based on the email communications from the Contract Administrator for Vendor X and Administrative Services staff, we noted the Contract Administrator was unaware of the security report requirement and did not understand the nature of the security report, did not respond timely to either of the contract management system or Administrative Services' request to obtain the security report, and did not provide the updated security report when it was received from the vendor.

We also noted that Administrative Services did not raise the issue to the Executive Office, and did not stop vendor payments for having a non-compliant contract.

** See Appendix 2 for Findings' Risk Rating

RISK

We rated this finding as a high risk because without adequate controls, LACERA cannot effectively ensure vendor compliance with contract requirements, which are in place to manage vendor risks.

RECOMMENDATION #1

Enhance controls for non-compliance with vendor contracts.

Administrative Services should build into its control process additional warnings to Contract Administrators, escalating non-compliance to the Executive Office, and implementing consequences, like stopping payments for vendors with non-compliance contracts.

Management's Response

Agrees with the recommendation.

The Administrative Services and Systems Divisions will be rolling out a new enterprise contract lifecycle management system (ECLM) with advanced controls to manage contract risks. The target date for this rollout is July 2023. The new ECLM will have the following advanced controls to help LACERA manage contract risks identified in this finding:

- **Automated alerts:** *The ECLM will send automated alerts to specific LACERA staff and vendors when a SOC-2 report is expiring. The alerts will include instructions and a disclaimer warning of potential stop payment for non-compliant contracts.*
- **Real-time reports:** *The ECLM will create real-time reports that will be shared with the Contract Administrator, Division Manager, and Executive Management. These reports will ensure that critical information related to non-compliance is shared with the right people in a timely manner.*

The new ECLM will be a valuable tool for LACERA to help manage contract risks and ensure compliance.

Target Completion Date:

July 31, 2023

FINDING #2

No formal procedures for review of vendor security audit reports

Risk Level**

Low

OBSERVATION

Security Audit Review Forms are part of LACERA's vendor contracting process to ensure a vendor's security control environment can safeguard data LACERA entrusted to the vendor. InfoSec is charged with reviewing vendor security audit reports such as SOC2 reports and bridge letters, and ITSC/ITGC reports. After reviewing the security audit reports, InfoSec completes a Security Audit Review Form which is used by contract managers and administrators to evaluate the suitability of a vendor to be entrusted with LACERA's data.

Our review of contracts for high-risk vendors found that while InfoSec had completed the required Security Audit Review Forms and retained copies of related vendor security audit reports, there was no indication of the process steps taken during the review to support InfoSec's approval of a vendor.

It is a best practice to create an internal checklist for reviewing the reports to ensure that reviews consistently cover key areas:

- Is the issuing firm reputable? Does the firm or individual issuing the report have information technology or information security certifications?
- Is the auditor's opinion unqualified?
- Is the report covering the correct part of the vendor's business?
- Does the time period covered meet LACERA's needs?
- Are there control exceptions that impact LACERA?
- Are user (LACERA) control considerations in the report adequately addressed by LACERA ?

RISK

We rated this finding a low risk because internal controls are in place to ensure LACERA reviews vendor security reports that are received. Additionally, based on our review of selected security reports, we did not disagree or find exceptions with InfoSec's review and approval. However, InfoSec's process could be enhanced to provide specific guidance on how to document the review of the vendor security reports and ensure InfoSec's reviews consistently cover key areas.

RECOMMENDATION #2

Document review of vendor security reports.

InfoSec management should document its review when approving vendor security reports. The documentation should include a checklist of key areas reviewed and any additional research and communications needed to obtain adequate assurance about the vendor's security posture.

** See Appendix 2 for Findings' Risk Rating

Management's Response:

Agrees with the recommendation.

InfoSec will create a SOC review checklist, document it's analysis and maintain the documentation and checklist with the SOC reports.

Target Completion Date:

July 31, 2023

APPENDIX 1 AUDIT RATING SCALE

Internal Audit issues three standard audit report evaluations as defined below:

Satisfactory

The control environment is acceptable with minor issues having been identified. The overall environment contains sufficient internal controls to address key risks, and business practices generally comply with Company policies. Corrective action should be implemented to address any weaknesses identified during the audit in order to maintain or enhance the control environment.

Opportunities for Improvement

The control environment has opportunities for improvement with significant issues, individually or in the aggregate, having been identified or major noncompliance with Company policies. The overall environment contains insufficient internal controls to address key risks. Prompt corrective action should be implemented to address the weaknesses and strengthen the control environment.

Unsatisfactory

The control environment is unacceptable with critical issues, individually or in the aggregate, having been identified or major noncompliance with Company policies. The overall environment contains insufficient internal controls to address key risks and the impact may be substantial in size or nature or their effect cannot be quantified. Immediate corrective action should be implemented to address the weaknesses and strengthen the control environment.

APPENDIX 2 FINDING'S RISK RATING SCALE

Findings identified during the course of the audit are assigned a risk rating, as outlined in the table below. The risk rating is based on the financial, operational, compliance, or reputational impact that the issue identified could have on LACERA.

Rating	Financial	Internal Controls	Compliance	Reputational	Executive Management
High	<p>Large financial impact to LACERA or members</p> <p>Actions not aligned with fiduciary responsibilities</p>	<p>Missing or inadequate key internal controls</p> <p>Not adequate to identify fraud, noncompliance or misappropriation</p>	<p>Non-compliance with applicable Federal or state laws or LACERA's policies</p>	<p>High probability for external audit issues and/or negative public perception</p>	<p>Important critical business process identified by Exec Office</p> <p>Requires immediate attention</p>
Medium	<p>Moderate financial risk to LACERA or members</p> <p>Actions could be better aligned with fiduciary responsibilities</p>	<p>Partial key internal controls</p> <p>Not adequate to identify noncompliance or misappropriation in timely manner</p>	<p>Inconsistent compliance with applicable Federal or state laws or LACERA's policies</p>	<p>Potential for external audit issues and/or negative public perception</p>	<p>Relatively important</p> <p>May or may not require immediate attention</p>
Low	<p>Low financial impact to LACERA or members</p>	<p>Internal controls in place but not consistently efficient/effective</p> <p>Implementing / enhancing controls could prevent future problems</p>	<p>General compliance with applicable Federal or state laws or LACERA's policies, but some minor discrepancies exist</p>	<p>Low probability for external audit issues and/or negative public perception</p>	<p>Lower significance</p> <p>Does not require immediate attention</p>



Documents not attached are exempt from disclosure under the California Public Records Act and other legal authority.

**For further information, contact:
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