



City of Milwaukee
Employees' Retirement System

Bernard J. Allen
Executive Director

David M. Silber, CFA, CAIA
Chief Investment Officer

Melody Johnson
Deputy Director

March 17, 2023

Mr. Jim Owczarski
City Clerk
Room 205, City Hall

Dear Mr. Owczarski:

Please be advised that a Meeting of the Administration & Operations (A&O) Committee Meeting of the Annuity and Pension Board of the Employees' Retirement System has been scheduled for **Thursday, March 23, 2023 at 8:30 a.m.** *Special Notice: Due to the COVID-19 pandemic, the meeting will be held remotely via video conference. Instructions on how to observe the meeting will be available on ERS's website (www.cmers.com) prior to the meeting.*

Please note and observe the following remote attendance etiquette to ensure a smooth and productive meeting:

- In order to cut down on background noise, participants in the meeting should put their phones on mute when they are not participating.
- At the start of the meeting, the Chairman will announce the names of the members of the Board present on the call, as well as anyone else who will be participating.
- Please request to be recognized by the Chairman if you would like to speak.
- Those participating on the call should identify themselves whenever they speak, and should ensure that the other participants on the call can hear them clearly.

The agenda is as follows:

- I. Election of Vice Chair.
- II. Approval of Wells Fargo Extension Amendment.

Please be advised that the Administration & Operations Committee may vote to convene in closed session of the following item (III.), as provided in Section 19.85 (1)(c), for considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility and in Section 19.85 (1)(f), when considering financial, medical, social or personal histories or disciplinary data of specific persons, preliminary consideration of specific personnel problems or the investigation of charges against specific persons except where par. (b) applies which, if discussed in public, would be likely to have a substantial adverse effect upon the reputation of any person referred to in such histories or data, or involved in such problems or investigations. The Administration & Operations Committee may then vote to reconvene in open session following the closed session.

- III. Baker Tilly Financial Audit.
- IV. CliftonLarsonAllen (CLA) Internal Audit Status Report Presentation – 2022.

Please be advised that the Administration & Operations (A&O) Committee may vote to convene in closed session on the following item (V.), as provided in Section 19.85(1)(i), Wisconsin State Statutes, for considering all matters related to acts by businesses under s. 560.15 which, if discussed in public could adversely affect the business, its employees or former employees. The Committee may then vote to reconvene in open session following the closed session.

V. CliftonLarsonAllen (CLA) IT Audit Reports Presentation – 2022.

VI. Approval of Close out of 2022 Budget.

VII. Review of RFP for Internal Audit.

VIII. Approval of Eide Bailly Contract.


Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following item (IX.), as provided in Section 19.85(1)(e), Wisconsin State Statutes, to deliberate or negotiate the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. The Board may then vote to reconvene in open session following the closed session.

IX. Approval of DS Consulting Contract.

X. IT Projects Portfolio.

XI. Organizational/Personnel Update.

Sincerely,



Bernard J. Allen
Executive Director

BJA:jmw

**THIRD AMENDMENT TO THE SERVICE AGREEMENT BETWEEN THE
EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE AND WELLS
FARGO BANK, N.A.**

THIS THIRD AMENDMENT ("Third Amendment") to the Service Agreement ("Service Agreement") between the Employees' Retirement System of the City of Milwaukee (ERS) and Wells Fargo Bank, N.A. (CONTRACTOR) is made effective March 31, 2023.

WHEREAS, On January 1, 2018, the ERS and CONTRACTOR entered into the Service Agreement for general banking services, and

WHEREAS, The parties executed a Second Amendment to the Service Agreement to extend the term of the Service Agreement by three months,

WHEREAS, ERS and CONTRACTOR desire to amend the Service Agreement to extend the term of the Service Agreement by three months,

NOW, THEREFORE, in consideration of the mutual covenants herein stated, ERS and CONTRACTOR do hereby agree to amend the Service Agreement as follows:

1. Amend the Time of Performance to extend to term from March 31, 2023 to June 30, 2023.
2. All other covenants, provisions, terms and conditions of the Service Agreement shall remain unchanged.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment.

EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF MILWAUKEE

WELLS FARGO BANK, N.A.

Date
Chair, Matthew P. Bell
Annuity and Pension Board

Date

Date
Executive Director, Bernard J. Allen



Internal Audit Update City of Milwaukee **Employees'** Retirement System

Administration and Operations Committee

March 23, 2023

We'll get you there.

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Executive Summary

Benefit Payroll Process Audit on December 15, 2022, subsequent to that CLA has completed five audits, Business Continuity / Disaster Recovery Process, IT General Controls Audit, Internal Vulnerability Assessment, External Vulnerability Assessment and a Purple Team Review/Exercise

A description of the detailed audit procedures and findings performed for each audit can be found in the full internal audit reports that have been provided separately. A summary discussion of each audit is provided today.

2022 Audit Plan was completed on time and on budget

The 2023 Audit Plan is provided for review and discussion



2022 Audit Plan Status

2022 Audit Plan	Est. Hours	Actual Hours*	Actual Cost*	Target Start Date	Status/Comments
Benefit Payroll System	80	76	\$ 11,298	Complete	Presented 12/15/22
IT General Controls	100	84	\$ 15,500	Complete	Presented 3/23/23
Business Continuity / Disaster Recovery	130	109	\$ 20,150	Complete	Presented 3/23/23
Internal Vulnerability Assessment	120	120	\$ 22,200	Complete	Presented 3/23/23
External Test and Vulnerability Assessment (includes E-Mail Phishing Test)	65	65	\$ 12,025	Complete	Presented 3/23/23
Purple Team Review & Exercise	30	30	\$ 5,550	Complete	Presented 3/23/23
Engagement Management Fees	95	40	\$ 7,270	Complete	Oversight, administration and meetings
Totals:	620	524	\$ 93,993		
2022 Budgeted Cost	\$104,520				

** Totals through 3/7/23*

2023 Audit Plan

2023 Audit Plan	Hours Budget	Target Start Date	Comments
Entity Level Controls & Governance	50	Q2 2023	
Accounting & Finance	100	Q3 2023	
Benefit Calculation Process	100	Q3 2003	
Investment Management	80	Q3 2003	
Enrollment & Member Services	60	Q2 2023	
Benefit Administration	100	Q2 2023	
HR / Payroll	45	Q3 2023	
Internal Vulnerability Assessment	120	Q3/Q4 2023	
Engagement Management	95	On-Going	Oversight, administration and meetings
Totals:	750		
2023 Budgeted Cost	\$120,660		





Questions

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Employees' Retirement System of the City of Milwaukee
March 15, 2023
Memorandum



To: Bernard J. Allen, Executive Director

From: Daniel Gopalan, CPA, ERS Chief Financial Officer

Re: Final 2022 Payment to the City and 2022 Budget to Actual Expenditures

I have completed my analysis for our expenditure activity for fiscal year 2022. Our expenditures for the year ended December 31, 2022 total \$17,297,096.20 of which \$461,041.14 relates to non-trust activities. The remaining \$16,836,055.06 represents amounts that are funded by the Trust for 2022 expenses.

We have previously advanced the City \$15,426,000.00 toward these costs in 2022, leaving a balance owed of \$1,410,055.06

The final amount payable to the City is primarily comprised of costs incurred since the middle of December, the last time the Trust reimbursed the City for expenses and for amounts accrued to close out the fiscal year.

An analysis will be provided to the City with a cover letter requesting the City to prepare an invoice for this amount to be approved by the Board for final payment in settlement of the Trust's 2022 expenses.

Below you will find the 2022 Budget to Actual Summary:

CATEGORY	BUDGET	ACTUAL	AVAIL. BALANCE
SALARIES	\$ 3,583,222.00	\$ 3,492,460.66	\$ 90,761.34
FRINGE	1,648,282.00	1,522,165.41	126,116.39
GENERAL OFFICE	213,000.00	198,410.59	14,589.41
OPERATING SUPPLIES	5,000.00	2,043.62	2,956.81
FACILITY RENT & PROPERTY SERVICES	612,000.00	543,298.64	68,701.36
EQUIPMENT RENTAL	28,000.00	22,874.05	5,125.95
PROFESSIONAL SERVICES	12,234,000.00	9,250,027.03	2,983,972.97
INFORMATION TECHNOLOGY	1,432,000.00	803,389.51	628,610.49
OTHER OPERATING SERVICE	1,034,400.00	694,900.98	339,499.02
EQUIPMENT	873,000.00	767,525.71	105,474.29
TOTAL	\$21,662,904.00	\$17,297,096.20	\$ 4,365,807.80

c David Silber
Melody Johnson

Employees' Retirement System - City of Milwaukee

2022 Budget vs. Actual Expenses

For the Year Ended December 31, 2022

	Budget-Non Trust			Actual-Trust	Actual-Non	
	Budget-Trust Activity	Activity	Total Budget	Activity	Trust Activity	Total Actual
Direct Salary	\$ 2,939,700.00	\$ 170,500.00	\$ 3,110,200.00	\$ 2,787,923.64	\$ 162,581.00	\$ 2,950,504.64
Indirect Salary (21.36% of DS)	447,046.00	25,976.00	473,022.00	452,684.23	89,271.79	541,956.02
Total Salary	3,386,746.00	196,476.00	3,583,222.00	3,240,607.87	251,852.79	3,492,460.66
Fringe Benefits Applied	1,557,903.00	90,379.00	1,648,282.00	1,412,365.41	109,800.00	1,522,165.41
City Indirect Cost	123,000.00	-	123,000.00	117,100.00	-	117,100.00
Other Operating Expenditures	15,435,400.00	-	15,435,400.00	11,375,256.07	22,588.35	11,397,844.42
Equipment	873,000.00	-	873,000.00	767,525.71	-	767,525.71
Sub Total	21,376,049.00	286,855.00	21,662,904.00	16,912,855.06	384,241.14	17,297,096.20
Indirect-Non Trust Activity*	(57,400.00)	57,400.00		(76,800.00)	76,800.00	
Total O&M Activity	21,318,649.00	344,255.00	21,662,904.00	16,836,055.06	461,041.14	17,297,096.20
Fiduciary Liab Deductible	-					
Grand Total	\$ 21,318,649.00	\$ 344,255.00	\$ 21,662,904.00	\$ 16,836,055.06	\$ 461,041.14	\$ 17,297,096.20

* Management oversight, share of other operating expenditures

Salary Detail of Non-ERS Activity	Non Trust Gross Salary		Total Actual Gross Salary	Total Actual Direct Salary	Non Trust	
	Budget	Gross Salary Budget			Gross Salary Actual	Non Trust Direct Salary Actual
Johnson Health	46,529.00	46,529.00	45,865.77	39,531.11	45,865.77	39,531.00
Freeman Life	47,217.00	47,217.00	50,297.98	42,961.57	50,297.98	42,962.00
Gary Life	47,217.00	47,217.00	41,686.18	31,679.34	41,686.18	31,679.00
Hann Life/Dental	47,217.00	47,217.00	45,170.00	41,058.12	45,170.00	41,058.00
Niemiec Health/LIS/P/FABF	3,726.00	74,519.00	73,393.76	62,977.21	3,669.69	3,149.00
Langenohl PABF/FABF	3,047.00	60,931.00	63,628.22	57,302.07	63,628.22	2,865.00
Bates Life	1,523.00	60,931.00	61,398.09	53,478.17	1,534.95	1,337.00
	\$ 196,476.00	\$ 384,561.00	\$ 381,440.00	\$ 328,987.59	\$ 251,852.79	\$ 162,581.00

Employees' Retirement System - City of Milwaukee
2022 Budget vs. Actual Expenses
For the Year Ended December 31, 2022

Document Number	Group/ Source	Vendor	Descr	Total Invoice	Non-Trust	ERS
01977960	0000494782	NORT TRUST	1ST QTR PABF 2022	78.72	78.72	-
01999581	0000500697	NORT TRUST	2nd QTR PABF 2022	91.98	91.98	-
02018267	0000506382	NORT TRUST	3rdQTR PABF 2022	66.04	66.04	-
02040401	0000513070	NORT TRUST	4TH QTR PABF 2022	46.36	46.36	-
01971740	0000492989	CAV MACD	JAN 22 RETAINER FEES	23,116.25	17,866.25	5,250.00
01975410	0000494138	CAV MACD	FEB 22 RETAINER FEES	5,844.00	594.00	5,250.00
02004169	0000502054	CAV MACD	MARCH 22 RETAINER FEES	9,095.00	3,845.00	5,250.00
Totals				<u>38,338.35</u>	<u>22,588.35</u>	<u>15,750.00</u>

Request for Proposal (RFP)



The response shall be addressed and delivered
via Bonfire.

Employees' Retirement System
of the City of Milwaukee
789 N Water Street, Suite 300
Milwaukee, Wisconsin 53202

**Responses must be received no later than 4:45 P.M., CST,
on Monday, May 8, 2023**

Questions can be e-mailed to RFP@CMERS.com.

Please note: ERS reserves the right to reject a Request for Proposal (RFP) response that is not completed as specified within this document. ERS also reserves the right to accept or reject any response, to not to proceed with any action and to accept only those response that are in the best interest of the ERS. The ERS will incur no liability for the cost of the RFP response preparation.

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Introduction and purpose of the RFP

With this RFP, we request information regarding your company and your internal audit services and pricing. The purpose of this RFP document is to gain a better understanding of the current market for the services.

Scope

Specific information is requested according to the form below.

RFP procedure

- ✓ Please respond to each item in the attached Questionnaire.
- ✓ Provide a cover letter with primary point of contact and contact information (name, title, address, telephone number(s), fax number and e-mail address).
- ✓ Provide a signature of an individual authorized to enter into a contract.
- ✓ Describe your organization and the services you provide.
- ✓ Provide information demonstrating your ability to fulfill the services identified in this RFP. Include information about working with public pension plans.
- ✓ E-mail any questions by the date and time given to RFP@CMERS.com.
- ✓ Answers to this RFP will be evaluated by the management from different areas of the ERS.
- ✓ The ERS may require oral presentations by telephone or WebEx. Responses should be complete on their face. The ERS reserves the right to request clarifying information at any point.

Questions

Any questions concerning this RFP may be submitted via Bonfire. The deadline for questions is 4:45 p.m., Central time, on Monday, April 17, 2023. The ERS will transmit responses via Bonfire to questions received, for responders who have acknowledged an interest to this RFP by 4:45 p.m., Central time, on Monday, April 24, 2023. (Those interested in the responses must have e-mailed their interest by April 24, 2023 to RFP@cmers.com.) Responders may not rely on any representations from the ERS or Annuity and Pension Board members other than the responses provided through the above-described procedure.

Timeframe

4/3/23	Issue RFP.
4/17/23	Last date for questions (4:45 pm CST).
4/24/23	Responses to questions issued via Bonfire (4:45 pm CST).
5/8/23	RFP response deadline (4:45 pm CST).
6/21/23	Tentative Presentations and Selection of Vendor
1/1/24	Contract start date

Background description of what is requested

The Employees' Retirement System of the City of Milwaukee (ERS) invites qualified vendors to submit responses to the Request for Proposals (RFPs) in providing professional services to perform internal audit services. All RFP responses must be submitted by a single primary vendor.

Objectives

The objectives of this RFP are to:

- ✓ Convey ERS' internal audit requirements to qualified vendors.
- ✓ Understand the vendor's approach and work plan, organizational and personnel qualifications, previous experience, price and ability to perform internal audit work.
- ✓ Contract with a professional services firm to fulfill the RFP requirements.

ERS Overview

The ERS manages a \$6 billion defined-benefit pension fund. The ERS was created by an act of the Wisconsin Legislature in 1937 to provide retirement-related benefits for members and their beneficiaries. Chapter 36 of the Milwaukee City Charter is the codified provisions of the pension law and the Board Rules and Regulations further define the law. The Annuity and Pension Board (Board) governs ERS, and serves as trustee of the System's funds. The ERS' Executive Director is responsible for daily operations, and also serves as Secretary to the Board.

Background

The ERS provides a wide variety of benefits to its members and their beneficiaries, including:

- ✓ Service retirement benefits
- ✓ Disability retirement benefits
- ✓ Separation benefits
- ✓ Death benefits
- ✓ Survivorship options
- ✓ Group life insurance for all City employees
- ✓ Health, COBRA, dental, and vision insurance programs for eligible retirees

The ERS covers approximately 15,600 active or deferred employees from the City of Milwaukee or its participating city agencies. Participating agencies include any board, commission, division, department, office, or agency of the City government, including Milwaukee Public Schools (noncertified staff), Milwaukee Metropolitan Sewerage District, Veolia, Wisconsin Center District, and the Housing Authority of the City of Milwaukee. Approximately 13,750 retirees, survivors, and beneficiaries receive monthly pension payments.

Current Organization

ERS currently has 51 fulltime equivalent budgeted positions and 1 contractor who provides IT services.

ERS' Executive Director is responsible for daily operations, and reports to the Annuity and Pension Board. Functional areas include Member Services: counseling and providing direct service to members, administering group life, health, and dental insurance benefits; Fiscal Services: accounting and financial reporting activities, retiree payroll, staff payroll, benefit calculations; Investment Services: monitoring of investment managers' performance, fund re-balancing; Information Services: handling the network, hardware and software functions and maintenance of the information systems; and, Administration: agency governance, research activities and general administrative functions.

ERS staff is experienced, well trained and very knowledgeable about the activities needed to be performed in its various areas for the successful functioning of all its business concerns.

Current Operations

The following list of systems and services is intended to convey the breadth and scope of ERS business operations. While intended to be complete, the list is neither mutually exclusive nor collectively exhaustive.

- ✓ Employee enrollment and tracking
- ✓ Employee earnings history tracking
- ✓ Pension benefit calculation (retirement, separation, and disability)
- ✓ Pension payment (payroll) distribution (retirement, separation, and disability)
- ✓ Pensioner health and dental benefits management (retirement and disability)
- ✓ Employee group life insurance management (retirement, disability, and active employee)
- ✓ Management, actuarial, and year-end processing and reporting

As of August 2006, the ERS went live with its consolidated information system: MERITS (Milwaukee Employees' Retirement Information Technology System). Most day-to-day activities are performed through this system which uses electronic workflow and an associated imaging system. All paper documents are imaged and available on employees' desktops.

Current Technology

Technical Infrastructure

The ERS has an information technology infrastructure comprised of over 50 virtual servers residing on VMWare hosts and a Dell SAN connected to a private gigabit fiber optic Ethernet network. These servers provide technical, office, and business services, and are located at our home office. A separate disaster recovery site exists in Madison, WI. Printing, including high speed printing of checks and direct deposit advices, is done on site. The user community has up-to-date desktop computers running Windows 10. Office application services provided to the desktop include, but are not limited to, the Microsoft Office Professional suite of products (Word, Excel, Power Point), FileNet (Imaging Services) and Microsoft Exchange/Outlook. Some users are also assigned laptops and cellular devices to be able to work remotely.

Business Applications

ERS' primary line-of-business application is a pension management information system named MERITS. MERITS is a java based n-tier application that provides the capability to process customers throughout the membership lifecycle from enrollment to withdrawal, retirement, or death. Each month, the system is used to pay about 13,500 annuitants and process employer contribution reports for 10,800 active members. ERS also uses the Sage 50 accounting package for general ledger and accounts receivable processing. Departmental payroll and accounts payable services are delivered by the City under a cooperation agreement, and use PeopleSoft products. The Investment Division uses on-line business services from FactSet, Callan, and Northern Trust.

More information can be found at www.cmers.com.

Services Required

ERS is soliciting the services of a qualified firm to conduct internal audit services for a period of three years with an option to renew for an additional two years.

Scope of Work to be Performed

General

An initial risk assessment and the current audit plan is on file with the ERS. A review of these documents will be performed with the result being a multi-year revised internal audit plan.

The internal audit will be conducted in accordance with generally accepted auditing standards; the standards for financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; or the standards for internal audits established by the Institute of Internal Auditors. (Please note that the ERS currently contracts with a separate vendor for financial audit services specific to our financial statements.)

The audits will include tests of the various operations of the ERS, and the contribution reporting of its seven agencies.

Areas for Audit

Ethics and Governance, Accounting/Finance, Investments, Enrollment and Member Services, Benefit Calculation, Contributions, Benefit Payroll, Benefit Administration (Health/Dental/Life), Ethics and Governance, HR/Payroll, AP Vendor Management, IT General Controls, Business Continuity, Social Engineering, Vulnerability Assessment and Penetration Testing, Risk Assessment Non-IT (Update and Audit Planning), Risk Assessment – IT (Update and Audit Planning), Prior Audit Issue Follow-up/Retesting, Management Requests/Special Projects, and Engagement Management.

Irregularities and/or Illegal Acts

Auditors shall be required to make a written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the ERS Board.

Additional Services

Should the Board decide to request additional internal audit work outside the agreed upon schedule, the internal auditor will perform such work at an agreed upon rate and time

schedule.

Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the Auditor's expense, for a minimum of 7 years, unless notified in writing from the ERS of the need to extend the retention period. The Auditor will be required to make working papers available upon request to the ERS.

Available Documents

Attached to this RFP are copies of the Terms and Conditions, Internal Audit Charter, the A&O Audit Charter, and the current audit plan. (See appendixes A, B, C, and D)

Also attached is a copy of a Designation of Confidential and Proprietary Information form to be used as needed. (See Appendix E)

Questionnaire

Background of the consulting firm (2 page maximum)

1. Briefly describe your firm's background, history, and ownership structure, including any parent, affiliated or subsidiary company, and any business partners. Provide an organization chart of your firm and describe the relationship between each component and your consulting group.
2. Please describe the services your firm provides and give the percentage of revenue derived from internal audit services, as well as the main market/customers you serve.
3. Within the past three years, have there been any significant developments in your organization such as changes in ownership, restructuring, or personnel reorganizations? Do you anticipate future significant changes in your organization?
4. Please give the address of your corporate office and indicate which office(s) will service the ERS.
5. Will one primary contact be assigned to our account? If so, provide complete contact information.
6. Identify any services you are unable to perform that are part of this RFP.

Standards of conduct (1 page maximum):

1. Does your firm have a written code of conduct or a set of standards for professional behavior? If so, how are they monitored and enforced?
2. What is your firm's philosophy regarding quality? Define your quality review process.
3. Describe your procedures for monitoring client satisfaction.
4. Within the last five years, has your organization or an officer or principal been involved in litigation or other legal proceedings relating to your internal audit services assignments? If so, please provide an explanation and indicate the current status or disposition.
5. Has your firm ever been censured by any regulatory body? If so, please describe the situation.

Conflicts of Interest (3 page maximum):

1. Are there any potential conflict of interest issues your firm would have in servicing the ERS? If so, describe them.
2. How does your firm identify and manage conflicts of interest?
3. Have you or anyone in your firm provided any gifts, travel and room expenses, entertainment or meals to any ERS Board member or staff during the past 12 months? If yes, please describe the amount of expenses and what it was for.

Consulting team (2 page maximum):

1. How many internal audit consultants does your firm have?
2. Please provide contact information for each consultant that will be assigned to the ERS in a grid similar to this.

Name	Address	Business Phone	Business Fax	E-mail Address

3. Please describe the role of each consultant for this assignment.
4. Please describe your team's experience with similar work performed for other public retirement systems or corporate pension.
5. State whether the individuals assigned to the work have any responsibilities other than providing internal audit services, and if so, specify such responsibilities.
6. Describe your firm's backup procedures in the event that key personnel in this assignment should leave the firm.
7. Describe the resources your firm has that specifically address the needs of public sector clients.
8. Describe how your firm controls the cost of services rendered for a client.

Unique qualifications (2 page maximum):

1. Describe how your internal audit consulting work is distinguished from that of your competitors.
2. Describe any services of your organization that may not be offered by other consultants.

References:

1. Please provide three references from current clients for whom work similar to that requested in this RFP has been performed.
2. Please list public sector clients who have terminated your relationship during the past three years and their reasons for doing so. Please include their names, titles and telephone numbers.

Subcontracting:

1. If your firm uses the services of a subcontractor, please identify the subcontractor and describe the skills and qualifications of the subcontractor and its individual employees.
2. Describe what portions of the project will be assigned to the subcontractor. Describe the inclusive periods and percentage of time the subcontractor will devote to the project.
3. Identify the cost associated with the portions of the project assigned to the subcontractor.
4. Describe the contractual arrangement contemplated with each subcontractor and describe generally the control/delegation of responsibilities anticipated in that arrangement.

Fees:

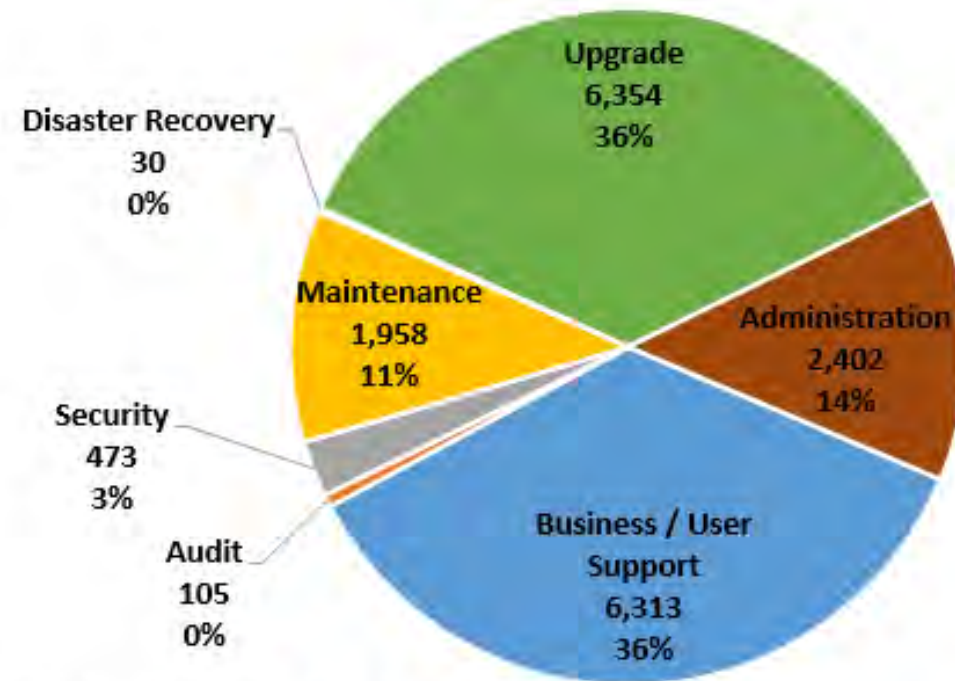
1. Please list your fees for internal audit services, assuming this will be a three year contract.
2. Please give hourly rates you will charge for work within the scope of services for which the precise number of hours is unknown.

IT Projects and Ticket Statistics

- Major Projects/Initiatives:
 - Network Infrastructure Firmware/OS Upgrade (In Progress)
 - VMware Workspace ONE Implementation (In Progress)
 - VMware Host Servers Upgrade (In Progress)
 - Video Conferencing System Upgrade (In Progress)
 - Microsoft Exchange Upgrade (In Progress)
 - Tape Libraries and Tape Media Upgrade (In Progress)
 - Symantec Endpoint Protection Upgrade (In Progress)
 - IT General Controls Audit (In Progress)
 - Business Continuity Plan Audit (In Progress)
 - IT Vulnerability Audit (In Progress)
 - Titan Content Manager Upgrade (Completed)
 - 789 and RO PC Firmware Upgrade (Completed)
 - Splunk Upgrade (Completed)
 - Change Auditor Upgrade (Completed)
 - Upgrade Struts and Modernize MERITS Website (In Progress)
 - SQL Server Upgrade - MERITS & FileNet Databases (In Progress)
- Application Statistics

Category	High Priority	Low Priority	Total
Current Inventory	7	0	7
PIR's	1	0	1
CCR's	6	0	6
Pending/Hold	0	0	0
Deployed(Awaiting Next stage) /Ready for Production	0	0	0
Net Current Inventory	7	0	7

IT Team Effort Summary (2022)



Total Effort = 17,637 hours

Descriptions:

Improvements / Upgrades: Includes application and infrastructure upgrades such as optimization, updates to the application, projects such as the reporting tool migration, upgrades of network equipment and software, etc.

Maintenance: Includes application and infrastructure maintenance activities such as bug fixes, windows operating system patching, DNS and IP review and cleanup, disk space management, etc.

User Support: Includes assisting users with issues and questions related to the application as well as other hardware/software issues, and COVID-related responses

Disaster Recovery: Includes working with our backup and recovery environments and the execution of disaster recovery tests

Audit: Includes activities performed in conjunction with our internal and external auditors

Security: Includes activities performed that are aimed at hardening our IT environment/infrastructure against threats.

Administrative: Includes administrative tasks performed by IT staff such as process updates, updates to the website, development of support plans / SPIs, updates and review of security awareness policies, updates and review of standard operating guidelines, reporting, etc.

Other Statistics:

- **Uptime during SLA:** 99.80% (6 hr power outage to building)
- **Tickets:** 134 opened and 113 closed (application and infrastructure)
- **Number of MERITS Releases:** 7 major + 18 minor (small fixes)

Portfolio as of March 8, 2023

Project Health	% Work Complete	Priority	Complexity (S / M / L)	Project Name	Project Mgr	Description	Strategic Goal	Status	Additional Vendor Required: Y/N	Actual Start Date	Target Completion Date	Estimates (Hours)	Actuals (Hours)	Hours Variance = Estimates - Actuals
G	35%	1	M	Upgrade VMware Host Servers @	Prosser	Upgrade Host Servers for VMware Environments	G1	IP	N	12/29/22	4/1/23	100	49	51
G	80%	2	M	Upgrade Tape Libraries and Tape Media at Femrite and 789 @	Prosser	Upgrade Tape Libraries	G1	IP	N	1/11/23	4/1/23	100	45	55
G	30%	3	M	Upgrade Microsoft Exchange @	Zampino	Upgrade Microsoft Exchange	G1	IP	N	11/28/22	4/30/23	150	23	128
G	6%	4	M	Upgrade Network Infrastructure Firmware/OS @	Zampino	Upgrade Network Infrastructure Firmware/OS to Latest Stable Version	G1	IP	N	9/27/22	5/31/23	100	6	94
G	85%	5	M	Implement VMware Workspace ONE for MDM @	Zampino	Implement Mobile Device Management System	G1	IP	N	7/27/22	3/31/23	200	37	163
G	15%	6	M	Upgrade Symantec Endpoint Protection Mgr and Clients to the Latest Stable Versions @	John	Upgrade SEP Mgr and Clients to the Latest Stable Versions	G1	IP	N	1/13/23	5/5/23	150	11	140
G	80%	7	M	IT General Controls Audit @	Siddiqui	IT General Controls Audit	G1	IP	Y	11/7/22	3/31/23	40	13	27
G	80%	8	M	BCP Audit @	Siddiqui	Business Continuity Plan Audit	G1	IP	Y	11/7/22	3/31/23	40	7	33
G	85%	9	M	IT Vulnerability Audit @	Zampino	IT Vulnerability Audit	G1	IP	Y	11/7/22	3/31/23	60	63	(3)
G	85%	10	M	IP Address Review and Cleanup 2022 @	Prosser	Annual Review and Cleanup of IP Addresses	G1	IP	N	2/6/23	8/31/23	100	55	45
G	0%	11	M	DNS Review and Cleanup 2022 @	Prosser	Annual Review and Cleanup of DNS Entries	G1	NS	N		8/31/23	100	0	100
G	0%	12	M	AD Review and Cleanup 2022 @	Prosser	Annual Review and Cleanup of AD Objects	G1	NS	N		8/31/23	100	0	100
G	0%	13	M	Firewall Review and Cleanup 2022 @	Prosser	Annual Review and Cleanup of Firewall Rules and Objects	G1	NS	N		8/31/23	100	0	100
G	23%	14	M	Upgrade SAN Firmware and DSM @	Raynal	Upgrade of Storage Area Network Equipment & Management Tools	G1	IP	N	2/6/23	5/31/23	100	10	90
G	30%	15	M	SQL Server Patching - MERITS & FileNet Databases @	John	Periodic Security Patches and Fixes	G1	IP	N	1/4/23	4/30/23	100	20	80
G	37%	16	L	Upgrade Struts and Modernize MERITS Website	Manchu	Upgrade Struts Framework and Modernize MERITS Web Application	G1	IP	N	6/10/21	12/31/24	18,850	8,728	10,123

Green =

On Target / No Significant Issues / All Updates Approved

Yellow =

On Watch List – Issues Being Addressed

Red =

Project cannot move forward as planned without management attention or approval.

@ = Activity (no charter)

NS

 = Not Started

OH

 = On Hold

IP

 = In Process

C

 = Completed

Completed Projects & Tasks in Last 12 Months	Finished	Hours
POC - FileNet P8 to IBM BAW Upgrade @ (Manchu)	4/18/2022	227 hours
Vulnerability Assessment @ (Raynal)	3/30/2022	139.8 hours
Upgrade 789 and RO PC Firmware @ (Powell)	3/24/2022	24.5 hours
MERITS - WebSphere Application Server Patching @ (Manchu)	4/4/2022	40 hours
Upgrade SAN Firmware and DSM @ (Raynal)	4/26/2022	25 hours
Upgrade Network Infrastructure Firmware/OS @ (Powell)	5/12/2022	80 hours
Upgrade SentryOne @ (John)	5/18/2022	23 hours
Upgrade SQL LiteSpeed @ (John)	6/16/2022	29 hours
Upgrade Altiris/Symantec IT Management Suite @ (John)	6/29/2022	63 hours
IP Address Review and Cleanup 2021 @ (Zampino)	7/7/2022	6.5 hours
Firewall Review and Cleanup 2021 @ (Zampino)	7/7/2022	3.8 hours
DNS Review and Cleanup 2021 @ (Zampino)	7/29/2022	7.8 hours
AD Review and Cleanup 2021 @ (Zampino)	7/27/2022	23.8 hours
Upgrade Backup Exec and Agents @ (John)	8/11/2022	177 hours

Completed Projects & Tasks in Last 12 Months	Finished	Hours
Upgrade Server Firmware @ (Zampino)	9/13/2022	5.5 hours
Upgrade VMware Environments @ (Zampino)	9/26/2022	30.25 hours
Upgrade Tracker/Serena Business Manager @ (John)	9/26/2022	25.5 hours
DR Test - 2022 @ (Siddiqui)	9/30/2022	40 hours
MERITS - WebSphere Application Server Patching @ (Manchu)	9/29/2022	43 hours
FileNet - WebSphere Application Server & FileNet P8 Patching @ (Manchu)	11/22/2022	95 hours
Upgrade Printer Firmware @ (Powell)	12/2/2022	14 hours
Upgrade WUG to Latest Stable Release @ (John)	11/7/2022	9.25 hours
Upgrade System Galaxy Security System @ (Zampino)	11/23/2022	8.5 hours
MERITS – IBM DataCap Patching @ (Manchu)	11/22/2022	130 hours
Upgrade Splunk @ (Zampino)	12/13/2022	10.25 hours
Upgrade 789 and RO PC Firmware @ (Powell)	12/20/2022	14 hours
TitanCMS Upgrade for CMERS.com @ (Zaffiro)	1/31/2023	20.5 hours
Upgrade Change Auditor to the Latest Stable Version @ (John)	3/1/2023	16 hours

Organizational/Personnel Update

Administration and Operations Committee

Thursday, March 23, 2023

ERS is working with DER to fill the following positions:

- Lead Pension Specialist