



# MIAMIBEACH

BUDGET AND PERFORMANCE IMPROVEMENT  
Internal Audit Division

## INTERNAL AUDIT REPORT

TO: Jimmy L. Morales, City Manager  
VIA: John Woodruff, Budget and Performance Improvement Director  
FROM: James J. Sutter, Internal Auditor

DATE: February 14, 2014  
AUDIT: General Pension Employee Buybacks  
PERIOD: October 1, 2009 through January 31, 2013

This report is the result of a regularly scheduled audit of the established processes and randomly sampled transactions involving eligible City employees' purchase of additional creditable years of pensionable service through two year and probationary time buybacks by some combination of remitted personal checks, the rollover of monies from ICMA or Nationwide 401A and 457 plan retirement accounts or the conversion of accrued sick and annual (vacation) leave hours. This audit focuses only on those employees that are members of the general pension (American Federation of State, County and Municipal Employees Local 1554; Communications Workers of America, Local 3178; and Government Supervisors Association of Florida Internal Union, Local 100 union employees; plus those considered either Unclassified or Others) as a separate audit was performed separately on those individuals belonging to the Internal Association of Fire Fighters, Local 1510 and the Fraternal Order of Police, William Nichols Lodge No. 8 pension plan.

### INTRODUCTION

The City Commission ratified Ordinance Number 2006-3504 on March 8, 2006 to reform the pension system. Among other items, it merged the general and unclassified retirement systems, implemented the 2003-2006 collective bargaining agreement between the City and the Communications Workers of America, Local 3178 and amended provisions of the retirement plan applicable to non-bargaining unit and unclassified employees.

In accordance with Florida Statute section 112.65, it also allowed vested employees the opportunity to purchase up to two years of creditable service under the pension plan. Similarly, City employees participating in the 401A plan were able to migrate into the pension plan. Acceptable payment methods for these benefits included personal check, 401A and/or 457 plan rollovers and accrued sick and annual (vacation) leave.

Accrued sick leave may be used toward the purchase at a rate of two hours for the value of each hour, provided that the participating employee retains at least 120 hours of accrued sick leave after the purchase. Meanwhile, one hour of accrued annual leave may be used for the value of each hour.

Ordinance Number 2006-3530 was subsequently adopted on September 21, 2006 to amend Ordinance Number 2006-3504 as to the definition of earnings, death benefits after retirement, the early retirement incentive program, etc. It also included an amendment of section 4.05 which discussed the purchase of credited service by certain employees who previously had

Internal Audit Report  
General Pension Employee Buybacks  
February 14, 2014

creditable service under the Classified Plan. This purchase of probationary time (usually equals the first six months of Classified Plan employees' tenure but can be extended if designated requirements are met) is necessary as these individuals pay into Social Security and are not part of the City's Pension System during this period. At the end of their probationary period, the applicable Classified Plan employee may or may not be retained. Retained employees must participate in one of the City's retirement programs and no longer remit Social Security.

Once vested in the general pension plan, these City employees may elect to use any combination of the payment options available for the two year buyback plan to purchase their probationary time and to have those months count as creditable service. The one exception is that sick and annual leave may both be used at the rate of one hour of accrued time for the value of each hour used.

Following the completion of field work but prior to the issuance of this audit, the City Commission adopted the following Ordinances implementing the listed summarized changes for general pension employee buybacks:

- Per City Ordinance No. 2013-3806, Communications Workers of America, Local 3178C, Unclassified and "Others" employees as of September 30, 2013 are no longer eligible to purchase up to two years of creditable service under the pension plan. In addition, any previously two year buyback eligible employees as of July 17, 2013 were granted an extension from six to up to twelve months to pay for this benefit.
- Per City Resolution No. 2013-28405, Government Supervisors Association of Florida Internal Union, Local 100 union or GSAF employees are no longer eligible to purchase up to two years of creditable service retroactive to September 30, 2013 as part of their collective bargaining unit. Furthermore, a City Ordinance was adopted on February 12, 2014 thereby ratifying the elimination of the two year buyback for GSAF employees.

## **OVERALL OPINION**

Significant improvements were made over the 2008 internal audit whereby it was found that employee leave balances were not reduced by a total of \$225,716.95. The safeguards implemented as a result were found to be working well as reviewed transactions were typically accurately calculated and all tested accrued employee leave balances were properly reduced. Additionally, all corresponding monies were transferred to the Miami Beach Employees Retirement Plan with the entries into the City's Financial System timely and accurately recorded. Despite these positive findings, the following shortcomings were noted during testing:

- Three differences were found in the thirty-five randomly sampled probationary buyback transactions or 8.57% with the monies individually owed or overpaid being less than \$1,000 each.
- The HL1.5 holiday extra pay hour type is treated differently but it may affect tier A employees' probationary time buyback and Final Average Monthly Earnings or FAME calculations.
- Ben/ded (benefits/deductions) payroll codes were not consistently and exclusively used for leave buyback transactions by the Human Resources Department which could lead to incorrect future leave settlement payouts.

Internal Audit Report  
General Pension Employee Buybacks  
February 14, 2014

- The supporting documentation maintained by the Pension Office for the 75 randomly tested buybacks was not always organized with the pertinent dates and information disclosed.
- Probationary time and two year buybacks were combined under vendor account 000410 in the Eden System's Accounts Payable Module which could hinder locating, reconciling and future analyses.
- The Human Resources Department did not maintain standard operating procedures concerning the processing and review of payroll adjustments.

## **PURPOSE**

To determine the efficiency and effectiveness of the monetary and leave transfer process, were all tested calculations correct and in agreement with approved City Ordinances, were the proper amount of pension creditable years granted, were tested checks made payable to the Miami Beach Employees Retirement Plan and timely deposited intact into the SunTrust Bank checking account, were all tested transactions accurately recorded in the City's Financial System and were future tested employees' leave settlement payouts reduced by any leave hours used to complete the two year buyback transactions.

## **SCOPE**

1. Confirm that updated standard operating procedures exist that are widely known and followed by staff.
2. Confirm that tested files and records are adequately secured, neatly organized and properly maintained.
3. Confirm that all tested buyback transactions were accurately calculated and were in agreement with the approved City Ordinances.
4. Confirm that tested employees' received the correct amount of creditable years of pensionable service.
5. Confirm that the designated buyback process works properly and has the necessary safeguards and internal controls to help ensure that tested transactions are accurately completed.
6. Confirm that tested transactions were properly recorded in the City's Financial System.
7. Confirm that all tested checks were made payable to the Miami Beach Employees Retirement Plan and were timely deposited into the SunTrust Bank checking account.
8. Confirm that any tested employees' leave balance maximum limits were appropriately reduced by the amount of time used to complete the corresponding two year buyback transactions when computing their leave settlement payouts.

## **PROCESS DESCRIPTION**

The following labeled sections summarize the buyback process as eligible vested City employees desiring to either purchase their probationary time or up to two years for similar non-pensionable work experience in accordance with the City Commission approved ordinances and the Pension Board trustees' consent.

A. Probationary Time Buybacks

The purchase of probationary time (usually equals the first six months of Classified Plan employees' tenure) is offered because these individuals pay into Social Security and are not part of the City's Pension System during this period. The amount of probationary time available for purchase can exceed six months for any eligible provisionary employees that worked in excess of thirty hours per week (Ordinance No. 2006-3504 section 4.04b), Public Safety Communications Unit and selected Code Compliance personnel's probationary period is one year, the Human Resources Department's Wages and Compensation Unit did not start the employee's pension deductions timely after his/her probationary period ended, etc.

Furthermore, the Pension Office's provided list of probationary time buybacks included the City employees' purchase of up to five years of qualifying military time per section 4.02 of Ordinance No. 2006-3504. In summary, the employee must return to City employment within one year from the earlier of the date of military discharge or release from active service and he/she must pay into the pension plan the amount of contributions that would have been required if that person had remained continuously employed.

Upon the completion of the required Probationary Buyback Form with the requesting employee's signature, the process begins. If deemed eligible, the Pension Aide calculates the amount owed based on the employee's annual contribution rate (was either 8% or 10% until it increased to 10% or 12% respectively in 2010), the number of years that have elapsed since the employee's probationary period ended assuming an 8.5% annualized compounded rate of return until it was lowered to 8% as of October 1, 2012, etc. Once calculated, the figures are reviewed by the Assistant Pension Administrator for accuracy before the transfer hours contract is signed and the corresponding monies are requested from the City employee.

Accrued sick and annual (vacation) leave may be used at a rate of one hour of leave for the value of each hour used toward the purchase, provided that the participating employee retains at least a total of 96 combined accrued sick and annual hours after the purchase. If this option is chosen, the City's Human Resources Department is notified to adjust the employee's leave hours accordingly via a payroll adjustment. Additionally, a Financial Analyst III in the Finance Department will prepare a City check payable to the MBERP (Miami Beach Employees Retirement Plan) and to make the needed entries in the City's Financial System.

The participating employee also has the option to issue a personal check for any outstanding balances. These checks are to be made payable to the MBERP and are to be deposited into the Pension Office's SunTrust Bank checking account.

Lastly, employees can rollover any monies remaining from a 401A or 457 deferred compensation retirement plan monies. The Assistant Finance Director coordinates the transfer of 401A retirement monies while the Human Resources Administrator I arranges for the payment of 457 deferred compensation monies. The value of these accounts typically fluctuates due to the volatile nature of stocks so the actual amount received may or may not be sufficient. If needed, City employees often will use one of the other options (leave time or personal check) to cover any subsequent shortages.

Once payment in full is received by the Pension Office, the additional years of creditable service are given by the Pension Aide with copies of all supporting documentation to be placed in the applicable employees' files. Similarly, the Human Resources Department's Wages and Compensation Division attaches any supporting documentation to their completed payroll adjustments.

B. Two Year Buybacks

Vested general pension plan members may purchase up to two years of creditable service provided that the employee may not purchase such service credit if they have received or will be receiving a pension benefit for the same period of employment under another retirement plan in accordance with Florida State Statute Section 112.65. Eligible prior service includes United States military service, full-time employment with another governmental entity, or full time employment in the private sector performing the same or very similar duties that the employee is performing for the City at the time of their election to purchase additional service. Upon completion of the required documentation and approval of the Pension Board trustees, employees electing to purchase such service must pay 10% of their annual rate of pensionable earnings multiplied by the number of years and fractions of a year purchased.

Participating employees have the same payment options as probationary employees except that two hours of accrued sick leave will only be valued as one hour. Also, the participating employee must retain at least 120 hours of accrued sick leave after the purchase and his/her leave settlement payout upon termination from the City's employment should be reduced accordingly by any leave hours used. For example, an employee electing to buyback two years would need to convert either 832 sick hours or 416 annual leave hours or some combination thereof to complete the transaction and his/her leave settlement payout would also be reduced by any leave hours used. Once payment in full is received by the Pension Office, the additional years of creditable service are given by the Pension Aide with copies of all supporting documentation to be placed in the applicable employees' files.

## FINDINGS, RECOMMENDATIONS AND MANAGEMENT RESPONSES

1. Finding: *The Pension Office Incorrectly Charged Three of the Thirty-Five Randomly Sampled City Employees or 8.57% Conducting Probationary Time Buyback Transactions*

A stratified random sample was chosen of 35 probationary time buyback transactions with ten selected from each fiscal year in the audit period except for FY2012/13. Only five were chosen for this fiscal year due to the small number of relevant transactions through January 31, 2013. In comparison, 40 two year buyback transactions were randomly selected with ten chosen from each of the four fiscal years comprising the audit period.

Probationary time buyback calculations can be complicated as different rules may apply depending upon the employee's hire date, their union affiliation, the date that their pension deductions started and their amounts, some of their provisionary hours could be eligible for purchase, etc. Testing performed on these 35 probationary time buyback

transactions found the following three material differences between the amounts actually owed by the participating City employees and those paid:

- Employee identification number 17612 was undercharged by \$690.19 as the buyback calculations were based on an incorrect contribution percentage rate of 8% instead of 10% for the probationary time purchased between December 16, 2002 and July 13, 2003.
- Employee identification number 16126 was inadvertently overcharged by \$406.76 for his military time buyback and is due a refund. The mistake arose from the employee not receiving credit for sporadic pension deductions made from any City issued payroll checks while he served in the United States Armed Forces.
- Employee identification number 18416 owes \$37.10 as the corresponding probationary time transactions were calculated on earnings that were understated by \$250.00.

Conversely, the two year buyback calculations were found to be relatively straightforward and no exceptions were noted in the 40 transactions tested.

Recommendations:

The Pension Office Administrator or his designee should more closely review the buyback calculations to help ensure their accuracy and to sign off on each page reviewed. There needs to be a sufficient review performed because no one outside the Pension Office currently checks these calculations for accuracy. Lastly, each of the three employees listed above should either remit the outstanding monies or be issued a refund so that the amount of their contributions equal the benefits received.

Management Responses (Pension Office):

The Pension office considers these findings totaling \$1,134.08 to be immaterial in nature in comparison with the \$437,920.15 total dollar amount of all buyback tested. The percentage of the dollar findings to the total is .003%. The Pension Office does review all buybacks for accuracy as they are calculated by an Aide and reviewed by the Assistant Pension Administrator and secondly reviewed by the Pension Administrator. Adjustments for the three above mentioned buyback transactions will be researched and rectified.

2. Finding: *The HL1.5 Holiday Extra Pay Hour Type is Treated Differently but it May Affect Tier A Employees' Probationary Time Buyback and FAME Calculations*  
Per Ordinance No. 2006-3504 Article 2, earnings can be defined as base pay, including longevity pay for personal services rendered as an employee but excluding any payment of overtime, shift differential or extra compensation allowances such as uniform allowances. Consequently, Internal Audit believes that any holiday extra pay hourly types such as HL0.5, HL1.0, HL1.5, HL2.0, etc. are to be included in earnings when calculating an employee's buyback amount since these monies do not qualify as overtime. Overtime is typically defined as all hours worked in excess of 40 hours during an employee's work week.

Although the applicable signed union agreements (CWA, AFSCME and GSA) are not standard concerning holiday pay which can create confusion and increase the likelihood of payroll errors, union employees are to receive time and one half of their regular rate of

Internal Audit Report  
General Pension Employee Buybacks  
February 14, 2014

pay for all hours worked on a holiday during their regularly scheduled shift beside their holiday pay. For example, a union employee who works their scheduled 8 hours on Memorial Day or their regular work day, would be entitled to receive 8 hours of holiday pay at their regular hourly rate plus 8 hours of HL1.5 at time and one half.

There are differences in the union contracts as to the employees' pay rates if they proceed to work more hours than their regularly scheduled shift of 8 hours in this example. As a result, the corresponding departments/divisions designated payroll coordinators and approvers must be knowledgeable of these terms and as to which union (if any) the employee was a member of to know how to pay them correctly. No testing was performed in this area as it was determined to be outside the audit scope but it should be addressed in the separate Compensation/Pay Practice audit currently being proposed.

The Human Resources Department created a number of holiday extra pay hour types to help track hours worked on a holiday but they do not differentiate between those that constitute regular hours worked versus overtime. As a result, one would have to review each affected employee's pay period detail to determine which holiday extra pay hour type hours represent overtime.

The Pension Office began including the HL1.5 holiday extra pay hour type in Tier A employees' probationary time buyback calculations immediately following the Pension Board's instructions during their July 1, 2008 meeting. Tier A employees are those individuals hired before designated dates in the union agreements with each union having a different date in order to receive the stated benefits. For unknown reasons, the Pension Board did not review any of the other holiday extra pay hour types (HL0.5, HL1.0, etc.) to determine their possible need for inclusion.

As a result, the Pension Office has been reviewing each pay period upon which any HL1.5 holiday extra pays are earned by tier A employees to determine if they qualify as regular time or overtime. Fortunately, there are only approximately 50 Tier A employees still actively working and the amount of overtime in City departments/divisions has also been greatly reduced which minimizes these situations.

The inclusion of HL1.5 serves to increase the cost of the probationary time buyback for the tier A employees. Internal Audit's testing did not identify any material variances where buybacks were miscalculated due to HL1.5.

Meanwhile, the inclusion of the HL1.5 holiday extra pay hourly type in earnings could also affect Tier A employees' FAME (Final Average Monthly Earnings) calculations and their corresponding pension payout upon their termination from the City. The HL1.5 holiday extra pay hourly type is not included in employees' pension contributions on their paycheck as the Human Resources Department treats it as overtime, which is capped at 10% of earnings for Tier A employees' FAME calculations (different from the Pension Office's treatment of HL1.5 as earnings for probationary buybacks).

The following table shows the totals of Eden System's Activity History Summary/Detail Reports regarding the Citywide usage of HL0.5, HL1.0 and HL1.5 hour types by fiscal year during the audit period since they had the most activity:

Internal Audit Report  
 General Pension Employee Buybacks  
 February 14, 2014

Hour Types	Categories	10/09 – 09/10	10/10 – 09/11	10/11 – 09/12	10/12 – 01/13
HL0.5	# of Employees	0	254	250	213
	# of Hours	0	9,117	8,991	5,178
	\$ Amount	\$0	\$114,577	\$115,381	\$65,024
HL1.0	# of Employees	701	511	545	524
	# of Hours	26,153	23,491	23,693	13,753
	\$ Amount	\$887,712	\$767,129	\$759,950	\$440,964
HL1.5	# of Employees	508	275	237	210
	# of Hours	19,714	9,599	8,670	4,508
	\$ Amount	\$667,503	\$279,429	\$251,277	\$133,159

One must remember that not all of amounts above would necessarily impact probationary time and/or FAME calculations but this table shows their widespread usage thereby increasing the likelihood. Lastly, all listed holiday extra pay hour type entries by the departments/divisions designated payroll coordinators were assumed to be correct by Internal Audit and were not investigated further.

Recommendations:

Going forward, any vague language identified in the Pension Ordinances that could have an economic impact based on interpretation should be brought before the City Commission before being implemented. If needed, the language should be changed to add clarification so that their intentions are satisfied. Additionally, all affected areas should be simultaneously changed so that items like holiday extra pay hour types are treated uniformly by City departments/divisions.

City payroll coordinators and their designated approvers should receive additional training and reference materials to help ensure that confusing items like holiday extra pay hour types are coded and paid correctly. Furthermore, the Human Resources Department should consider coding overtime worked on a holiday under the applicable "OT" code to help simplify Pension Office calculations. Additionally, the Human Resources Department should investigate departments/divisions usage of these hour types to help ensure that they are coded correctly and to confirm that employees were entitled to receive these monies. Any found deficiencies should be immediately corrected with the associated departments/divisions receiving needed guidance and/or training to help prevent similar mistakes from reoccurring. Finally, the Human Resources Department should review the lengthy list of hour types and benefits/deductions to determine if any can be eliminated to help reduce potential confusion.

Management Responses (Pension Office):

The MBERP Legal Counsel has opined that "overtime" by definition is when an employee works over 40 hours a week. Although HL1.5 is paid at a rate of time and a half it represents "holiday pay" and not "overtime pay". This is why there are separate codes for HL1.5 and OT1.5. An employee may get paid HL1.5 without having to work over 40 hours a week. The Pension Office suggests that a clarification process takes place where all parties involved receive an accurate understanding of this matter. It is clearly a difficult issue to understand.



Management Responses (Human Resources Department):

Human Resources Compensation Division has created an overtime/holiday payroll code reference sheet that was distributed to all payroll coordinators on June 6, 2013, and an updated reference sheet was distributed to the payroll coordinators on January 22, 2014. The Compensation Division is currently conducting one-on-one payroll trainings with payroll coordinators. These trainings continue to be ongoing. Internal reviews are also being conducted by the Compensation Division on a biweekly basis by analyzing overtime payroll code entries in order to identify and resolve any issues. In addition, the Compensation Division is currently reviewing the hour type payroll codes in order to identify any payroll codes that can be eliminated from the payroll system.

New language regarding holiday earnings was negotiated with the Communication Workers of America (CWA) and the Government Supervisors Association of Florida (GSAF). Negotiations with the American Federation of State, County and Municipal Employees (AFSCME) are ongoing. The City's goal is to have consistent provisions regarding holiday pay throughout the three employee groups.

3. Finding: *Two Instances were found in the 43 Tested Buyback Leave Time Adjustments where the Human Resources Department's Wages and Compensation Division Entered the Incorrect Ben/Ded Payroll Codes in the Processing*

Ben/deds (benefit/deductions) are line items that appear on employees' paychecks that show either the inflow or outflow of monies. Probationary time buybacks were to be charged to either sicb (adjustment to sick leave bank) and/or vacb (adjustment to vacation leave bank) as designated by the applicable employee and effectuated by the Human Resources Department's Wages and Compensation Division. Conversely, any approved two year buyback eligible leave hours were to be deducted from either s2bb (sick time / 2 year buyback) and/or v2bb (vacation time / 2 year buyback). Although testing found that the appropriate numbers of leave hours were charged which resulted in the employees' sick and annual accrued balances being properly reduced, the following two instances of the 43 reviewed which used leave hours as compensation or 4.65% were noted whereby the incorrect ben/deds were charged:

- The sicb and vacb ben/deds were charged for employee identification number 15093's two year buyback rather than s2bb and v2bb.
- Sick hours were deducted from s2bb instead of sicb for employee identification number 19042's probationary time buyback.

Recommendations:

Although few mistakes were noted in the random sample, the Human Resource's Wages and Compensation Division should strive to always use the proper ben/deds in reducing employees' accrued leave hours to help ensure that their future leave settlements are accurately calculated and paid, to avoid possible subsequent confusion, etc. In addition, adjustments for the two noted exceptions above should be performed.

Management Responses (Human Resources Department):

In 2009, the two year buyback hour type codes (s2bb and v2bb) were created in order to ensure that entries were being processed accurately. Prior to this time, the hour types of sicb and vacb were the only payroll codes used to process two year buybacks and pension service time. When the sick and vacation two year buyback hour type codes were created (s2bb and v2bb), the Compensation Division adjusted prior years to reflect

the newly created codes for two year buybacks, going back to 2006.

The MBERP ordinance most recently adopted by the City Commission abolished the two year creditable service buybacks for all employee groups except those represented by AFSCME. Contract negotiations with AFSCME are ongoing.

4. Finding: *The Pension Office's Buyback Supporting Documentation was not Always Dated or Noted*

The Pension Office stapled all the supporting documentation together for the tested buybacks inside the corresponding employees' files. However, employees often delay in completing the buyback transaction so that new forms and new calculations have to be prepared. In these instances, it occasionally was confusing as to which supporting documentation is applicable especially since some documents like the Eden System's Personnel Status Report are not dated. Once notified, the Pension Office began attaching the Eden System's Employee Leave Summary Detail Report as backup which contains the time/date printed. Also, outdated documentation was not always discarded or noted thereby adding to the confusion as sometimes it was difficult to determine which documents were applicable.

Recommendations:

The Pension Office should either discard any unneeded documents from the employee's file or note why they are not pertinent. Also, all relevant supporting documentation for the buyback transaction should be grouped together at the front of the stapled packet to facilitate location for the reviewer.

Management Responses (Pension Office):

The Pension Office deals with many different issues relating to employees and their pension files. The Pension Office does not discard outdated documentation and keeps all materials in the individual employee files in order to keep a historical record and an audit trail of all correspondence or contact with employees. Since the Eden System Personnel Status Report does not have a date we will use another report with the needed information which is dated.

5. Finding: *Probationary and Two Year Buybacks were Combined Under One Vendor Account in the Eden System's Accounts Payable Module*

The Finance Department combined all tested probationary and two year buyback entries in the vendor account numbered 000410 in the Eden System's Accounts Payable Module in order to have one vendor account per Federal ID. As a result it is difficult to distinguish between the two types of buybacks.

Recommendations:

Going forward, the Pension Office should consistently add "P" for probationary buybacks "T" for two year buybacks and "M" for active military service buybacks after the corresponding employee's unique identification number when entering the invoice information in the Account Payable Module. This practice will allow staff to quickly perform searches of the vendor account's entries by employee identification number, by probationary buybacks, by two year buybacks and by active military service buybacks.

Management Responses (Pension Office):

The Pension Office agrees to make the above additional buyback entries.

6. Finding: *Pertinent Standard Operating Procedures were not Maintained by the Human Resources Department*

Standard operating procedures are beneficial as they serve as a benchmark to measure individuals' performance and as an instruction manual in the event employees' are out of the office for whatever reason. However, inquiries found that the Human Resources Department did not maintain standard operating procedures concerning the processing and review of payroll adjustments.

Recommendations:

Standard operating procedures should be written and updated as needed to provide a descriptive outline of the buyback and payroll adjustment processes. Once completed, they should be reviewed and approved by management before being implemented.

Management Responses (Human Resources Department):

Management agrees with the recommendation. Human Resources staff is currently drafting standard operating procedures for the department, to include written guidelines and procedures concerning payroll adjustments and pension probationary period buybacks.

## EXIT CONFERENCE

An exit conference was held in the Office of Budget and Performance Improvement. Participants included Rick Rivera (Pension Administrator, Robert Martinez (Assistant Pension Administrator), Samantha Hester (Human Resources Specialist), Arnita Hall (Human Resources Technician II), James Sutter (Internal Auditor) and Mark Coolidge (Senior Auditor). All parties were in agreement as to the contents of this report. Management responses were solicited and included in our report.

JJS:MC:mc

F:\OBPI\AUD\INTERNAL AUDIT FILES\DOC12-13\REPORTS - FINAL\GENERAL PENSION BUYBACKS.docx

(audit performed by Mark Coolidge, Senior Auditor)

cc: Kathie G. Brooks, Assistant City Manager  
Sylvia Crespo-Tabak, Human Resources Director  
Patricia Walker, Chief Financial Officer  
Rick Rivera, Pension Administrator