

PERA Governance Internal Audit Presentation

REDW_{LLC} expertise.

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Our internal audit focused on evaluating overall governance at PERA to determine compliance with fiduciary requirements, laws and regulations, and best practices.

We evaluated whether Board training was in compliance with the New Mexico Administrative Code and the process in place for identifying and addressing code of conduct violations, including fraud, waste and abuse. We tested PERA Board Members and employees to ensure conflict of interests were reported timely. Our internal audit also focused on evaluating PERA's processes and controls surrounding the approval of investment policy changes and compliance with asset allocation benchmarks.

Considering the magnitude of the Governance area for PERA, it was not possible to test all areas within governance. Our procedures instead focused on the areas and subsequent outcomes that could provide the most impact on improving the PERA Governance structure and related controls.

1. Communication and Decision Making
2. Nonfinancial Conflict of Interest Reporting
3. Annual Evaluation of the Board
4. Meeting Agendas and Materials
5. Annual Evaluations of the Executive Director
6. Gift Reporting
7. External Education Reporting
8. Education Affidavits