

Census Data Reconciliations & Internal Audit's Role

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State Employees' Retirement System



Which retirement
system do you
participate in?

There are five state funded retirement systems.

- Teachers' Retirement System (TRS)
- State Universities Retirement System (SURS)
- State Employees' Retirement System (SERS)
- Judges' Retirement System (JRS)
- General Assembly Retirement System (GARS)

State Group Insurance Programs:

- State Employees' Group Insurance Plan (SEGIP)
- Teachers' Retirement Insurance Program (TRIP)
- College Insurance Program (CIP)

What is census data?

- Census data is demographical information of members participating in a pension plan. This data that originates at the employer is reported from employers to the retirement plans.
- Census data is often reported to retirement plans from payroll, employer reporting portals, or transmission of periodic reports or certifications.
- This membership demographical data is used by the actuaries of the retirement systems and CMS for projection of pension and other post-employment benefit (OPEB) liabilities.

What is census data?

- Pension and OPEB liabilities are reported on the financial statements of agencies/universities, the applicable retirement systems, and the State of Illinois.
- For agency financial reporting, allocation reports are provided by the applicable plans for each agency/university to recognize and report their proportionate share of pension and OPEB liabilities on their financial statements.
- As an emerging issue, auditors are concerned that significant and pervasive census data errors can cause a material misstatement of reported liabilities for pension and OPEB liabilities.
- Pension and OPEB liabilities can typically be one of the largest liabilities for a State agency/university and represents a significant long-term liability for the State of Illinois.

Significant Census Data Elements Per AICPA

- Member Name
- Social Security Number
- Date of Birth
- Gender
- Date of Hire or Membership Date
- Pensionable Wages
- Employee Classification
- Service Credits (periods of time worked)
- Employee position or title
- Contributions
- Date of Termination or Retirement
- Marital Status
- Spouse's Date of Birth
- Employment Status

Census Data As An Emerging Issue

Auditors have recognized that because of how data is accumulated by the plans from employers and the “human element” involved, that census data errors can and will occur.

Throughout the last several years, a greater emphasis has been placed on the reporting of pension and OPEB liabilities at the State and local government level for several reasons.

- Funding of Pension and OPEB plans has become an area of concern nationwide.
- Many plans are significantly underfunded due to poor financial decision making throughout many decades and administrations.
- Pension and OPEB liabilities are significant and will continue to grow, causing concern of how to State and local governments will meet its objectives when greater portions of budgets will need to be allocated to these liabilities.
- Recognizing pension and OPEB liabilities provides a clearer picture of the financial health of the individual pension/OPEB plans and State/Local governments.

GASB Changes and Impacts on Financial Reporting

- Significant changes in Governmental Accounting Standards Board (GASB) Statements has changed how governments calculate and report obligations related to pension and other post employment benefits.
- GASB 67: Financial Reporting for Pension Plans (2013)
 - Changes to financial reporting for state and local government pension plans. Improves transparency and enhances decision making when using financial reports.
- GASB 68: Accounting and Financial Reporting for Pensions (2014)
 - Establishes new accounting and reporting requirements for governments that provides pension benefits.
- GASB 75: Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (2017)
 - Establishes an initiative to improve accounting and financial reporting for post-employment benefits. Improves reporting of long-term obligations, calculations of annual expenses, and provides for additional disclosures.

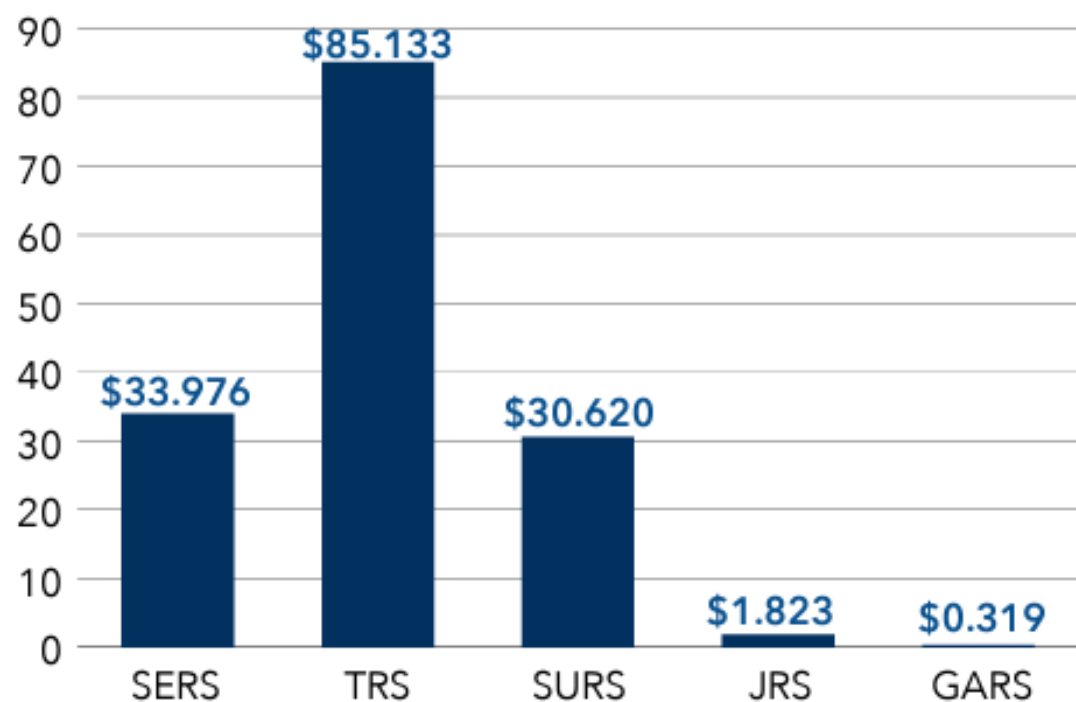
Significance of Pension and OPEB Liabilities

- The State's largest liability is its net pension liability, and the largest portion of the State's long-term liabilities is its net pension liability of nearly **\$151.9 billion** and other post employment benefits liability of **\$56.7 billion**.
- Net pension liabilities increased **\$8.5 billion** or 6% from fiscal year 2020.
- Governmental expenses increased \$11.9 billion during fiscal year, with **\$6.5 billion** being attributed to pension and OPEB expenses.
- The State's total liabilities were approximately \$270 billion, pension and OPEB liabilities account for 77% of the State's total liabilities.

Source: FY2021 State of Illinois Annual Comprehensive Financial Report

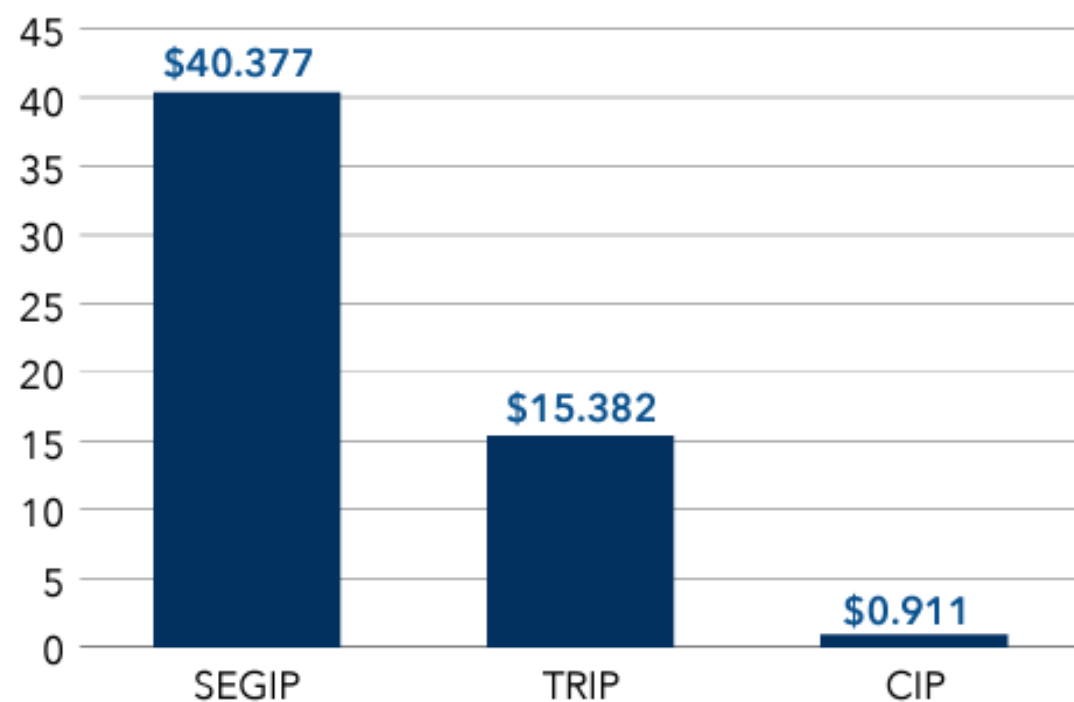
Net Pension Liability Fiscal Year 2021

(Amounts in billions)



OPEB Liability Fiscal Year 2021

(Amounts in billions)



Significance of Pension and OPEB Liabilities

- The State of Illinois' FY23 budgeted expenditures is \$45.9 billion.
- FY23 contributions to the State's pension plan is projected to be \$10.1 billion.
- The FY23 budget contains an additional \$500 million in pension contributions that will reduce long-term liabilities by \$1.8 billion.

Flow of SERS Census Data

1. Agency provides certified payroll data to Comptroller for processing
2. Retirement system receives payroll data, posts data, member accounts are updated
3. End of fiscal year actuarial files are provided to the Systems' actuary reflecting accumulated member account information
4. Actuary completes actuarial valuation using member data, plan data, and actuarial assumptions to determine the funding status of the plan and State's required contribution to the plan.
5. Retirement system uses data to complete its annual comprehensive financial report (AFCR) that is audited by an independent auditor. Financial statements recognize the pension expense and net pension liability of the retirement system.
6. Retirement system prepares audited Pension Allocation Schedules which recognizes the net pension liability, deferred inflows/outflows for pensions, and total pension expense that will "roll-up" into and be reported within agency financial statements.

How is census data used by actuaries?

SSN and Member Name: Unique identification of the member. Retirement systems may also use a “Member ID” to limit the use of the SSN in correspondences.

Date of Birth & Age: Member mortality in projections of benefits.

Gender: Member mortality in the projections of benefits.

Tier/Plan/Formula Participation: Projected benefit eligibility, projected benefit amounts, mortality*

Salary Rate / Pensionable Earnings: Projected benefits and salary growth of the population. Consideration of the final average compensation/final average earnings in projecting current or future benefits.

Service Credit / Years Worked: Projected benefit eligibility for pension and OPEB benefits.

FY2014-2015 Audit Findings at Retirement Systems

During the FY2014 financial audit of the retirement systems, findings were drafted over “weaknesses in controls over creditable earnings and member census data reported by State agencies or universities.”

Auditors recommended that the retirement systems update current processes and controls to include the verification of significant elements of census data.

The five-state funded retirement systems agreed with the finding/recommendations and began implementing new controls and processes to ensure the accuracy of membership census data.

Findings were generally developed using information from the AICPA’s SLGEP Pension Whitepaper Series memo on “Issues Associated with Testing Census Data in an Audit of Financial Statements”.

FY2014-2015 Audit Findings at Retirement Systems

The retirement systems responding by implementing various internal controls over member census data which included:

- Formally documenting payroll posting and census data processes of the retirement systems
- Developing census data risk assessments and audit plans
- Conducting census data audits using System staff or contracted firms
- Providing member demographic confirmations to be completed by members
- Performing data matches and data analysis for potential errors
- Displaying additional member information through online portals to expose members to information that is on file at the retirement system
- Developing additional edit checks in the retirement systems' applications to detect and correct inherited errors

FY20 Census Data Findings

In the fall of 2020, SERS and SURS learned of upcoming testing of census data testing at agencies and universities. Membership data was provided to the external auditors for performing this testing.

In December 2020, SERS learned from various agencies of pending census data findings in FY2020 financial statement audits.

Initial audit inquiries pertained to:

- Describe the agency's or university's internal controls and processes for reporting census data information to the retirement systems for OPEB and pension liability purposes.
- Does the agency/university perform a reconciliation using the census data reported by the plan to the personnel and payroll records which they maintain?
- Please provide a listing of all active employees for fiscal year 2018 and 2019.

FY20 Census Data Finding - Condition

- Based on the responses of the agency/university and testing performed, a blanket finding was issued to all agencies and universities that received a financial audit during FY2020.
- “The Department/University had not performed an initial complete reconciliation of its census data recorded by SERS/SURS and CMS to its internal records to establish a base year of complete and accurate census data.”
- “After establishing a base year, the Department/University had not developed a process to annually obtain from SERS/SURS and CMS the incremental changes recorded by SERS/SURS and CMS in their census data records and reconcile these changes back to the Department’s supporting records.”
- The finding noted that both the retirement system and employer had a responsibility for maintaining controls over member census data. The retirement system implemented additional controls following an FY2015 external audit finding which was resolved.

FY20 Census Data Finding - Criteria

AICPA Audit and Accounting Guide for State and Local Governments (AAG-SLG), §13.181 and §14.141.

To help mitigate against the risk of a plan's actuary using incomplete or inaccurate census data, it is recommended that an employer annually reconcile its active members' census data to a report from the plan of census data submitted to the plan's actuary, by comparing the current year's census data file to both the prior year's census data file and its underlying records for changes occurring during the current year.

Findings also cited the Fiscal Control and Internal Auditing Act as criteria.

FY20 Census Data Finding - Recommendation

- “We recommend the Department/University work with SERS and CMS to develop an annual reconciliation process of its active members’ census data from its underlying records to a report from each plan of census data submitted to the plan’s actuary.”
- “After completing an initial full reconciliation, the Department may limit the annual reconciliations to focus on incremental changes to the census data file from the prior actuarial valuation.”
- Following the draft findings being issued agencies and universities began reaching out the respective retirement systems on how to remedy this issue.

SERS Agencies Subject to Census Data Testing Financial Audits

- Secretary of State
- Central Management Services
- Dept. of Children and Family Services
- Dept. of Corrections
- Dept. of Human Services
- Dept. of Lottery
- Dept. Healthcare and Family Services
- Department of Revenue
- Department of Transportation
- Capital Development Board
- Illinois EPA
- Toll Highway Authority
- State Board of Education
- Student Assistance Commission
- Workers' Compensation Commission

Universities Subject to Census Data Testing Financial Audits

- Chicago State University
- Eastern Illinois University
- Illinois State University
- Governors State University
- Northeastern Illinois University
- Northern Illinois University
- Southern Illinois University
- University of Illinois
- Western Illinois University

Census Data Reconciliations

FY2021 Census Data Reconciliation Process

- SERS and SURS chose FY2021 as the baseline year to perform a full reconciliation of membership data.
- Retirement system staff worked to develop guidance explaining the importance of the census data and described how the initial reconciliation would be performed.
- Membership data extracts were provided to agencies and universities reflecting membership data as of June 30, 2021.
- Each employer was asked to appoint and provide contact information to SERS or SURS who would be responsible for receiving encrypted membership files from the retirement system.

FY2021 Census Data Reconciliation Process

- Agency/University staff would receive the encrypted data extract and provide assurance that their population was complete. This means all members eligible to participate in the plans were included in the population and those that were not were excluded.
- Agency/University staff would then validate that certain significant census data elements were correctly recorded at the retirement system by comparing the census data extract to personnel and payroll records or systems.
- Identified errors in found in the census data reconciliations were to be provided to the retirement systems using a reporting template/certification developed by the retirement systems.
- Generally, the Chief Internal Auditors for the retirement systems served as a liaison or point of contact during this process for SRS and SURS.
- Initial due dates: SERS – September 1, 2022 and SURS April 30, 2022. Extensions were granted by the retirement systems.

Agency Significant Census Data Elements - SERS

- Social Security Number
- Member's Full Name
- Date of Birth
- Gender
- Salary Rate
- Retirement Deduction Code (Tier & Plan)
- Reasonableness tests performed for FYTD earnings and service credit.

University Significant Census Data Elements - SURS

- Social Security Number
- Member's Full Name
- Date of Birth
- Gender
- Fiscal Year Pensionable Earnings
- Certification Date (employee status/hire dates)
- Leave of Absence (LOA) Dates and Return Dates
- Termination Dates or Layoff Dates

Initial Challenges in the Census Reconciliations

- Developing reliable contacts at each agency.
- Setting up agency/university contacts with Entrust Encryption. Securely transmitting the files with Entrust Encryption.
- Educating agency/university contacts on the data extracts and plan provisions. Explaining nuances of pensionable earnings, contributions, service credit.
- Tracking submissions and following-up with agencies/universities regarding progress towards completion.
- Difficulty of agencies/universities in completing the reconciliations given COVID-19 work protocols, staff shortages, and competing priorities.
- Error reporting and resolution. False errors being reported or insignificant issues.

Status of SERS FY2021 Reconciliation

- Over 87% of the SERS active membership has been reconciled to date, a total of 80 agencies completed. A small group of agencies are still outstanding.
- The largest State departments have managed to complete their reconciliations: DHS, IDOC, IDOT, DCFS, State Police, etc.
- The most reported error was minor name changes of the member.
- Most significant issues found were payroll miscodings (formula participation) and in some isolated cases, members that should be participating in the retirement plan but were not.
- We have not identified any individuals that are participating in the retirement plan that should not be. Several of false positives were reported due to the member being on disability.
- Difficulty in the agency substantiating various data points, namely earnings, contributions, and service credit.
- SERS noted very few legitimate date of birth or gender issues being noted.

SERS FY21 Non-Reporting Agencies

- Administrative Office of Illinois Courts
- Department of Human Rights
- Department of Natural Resources
- Department of Veterans' Affairs
- Illinois Emergency Management Agency
- Illinois Secretary of State
- Planning Council on Developmental Disabilities
- Prisoner Review Board
- Illinois Senate Staff
- House of Representatives (General Staff)

If you are an internal auditor or representative for one of these agencies, you should follow-up with your management and payroll/HR staff to inquire why this has not yet been completed.

University internal auditors should make inquiries of their representatives on the status of the baseline FY21 reconciliation.

Census Data Errors Encountered

- Omitting members that should be participating in the retirement system.
- Individuals participating in the wrong retirement plan (SERS vs. TRS).
- Incorrect retirement deduction codes or incorrect participation in either the regular or alternative formula.
- Demographical issues such as incorrect dates of birth or incorrect genders.
- Incorrect salary rates or inaccurate pensionable earnings.
- Incorrect member statuses or certification information.
- Minor name changes or differences.
- Duplicate reporting of members or incorrect SSNs being reported.

SERS Retirement Deduction Codes Explained

For SERS Agencies:

Does your agency have employees that participate in the alternative formula?

If so, who should or should not be participating in the alternative formula from your agency?

What retirement deduction codes should your payroll staff be using?

| Retirement Deduction Code | Deduction Code Description |
|---------------------------|----------------------------------------------------------------|
| 1 | Tier 1, Regular Formula Coordinated, 4% |
| B | Tier 2, Regular Formula Coordinated, 4% |
| 0 | Tier 1, Regular Formula Non-Coordinated, 8% |
| A | Tier 2, Regular Formula Non-Coordinated, 8% |
| S | Tier 1, Alternative Formula Coordinated Corrections, 8.5% |
| S | Tier 1, Alternative Formula Coordinated Highway, 8.5% |
| M | Tier 1, Alternative Formula Coordinated Air Pilots, 8.5% |
| D | Tier 2, Alternative Formula Coordinated Corrections, 8.5% |
| K | Tier 2, Regular Formula Non-Coordinated Highway, 8.5% |
| 2 | Tier 1, Alternative Formula Non-Coordinated, 12.5% |
| C | Tier 2, Alternative Formula Non-Coordinated, 12.5% |
| R | Tier 1, Alternative Formula Non-Coordinated Corrections, 12.5% |
| W | Ineligible for Participation in SERS, 0% |
| 4 | Contractual Payroll & Special Circumstances, 0% |

FY2022 SERS Reconciliation Process

- During FY2022-2023, SERS developed a process for completing the 2nd year of the census data reconciliations, focusing on significant changes from FY21-FY22. SERS is working on their 2nd year reconciliation process.
- SERS agency/departments received a guidance memo explaining the FY22 reconciliation process and the reporting template.
- The 2nd year in the reconciliation should be less labor intensive for each agency/departments.

FY2022 SERS Reconciliation Process

- After confirming contacts, Entrust encrypted files were provided. The file contained one workbook with multiple sheets within.
- Agencies were asked to verify the completeness of their active member population in June 2022 through comparison of payroll / employee rosters.
- One worksheet contained new members that were previously not validated in FY2021. These members required a more thorough review by agency staff.
- SERS asked agencies to review certain demographic changes such as date of birth or gender corrections identified between FY21 and FY22.

FY2022 SERS Reconciliation Process

- Agencies were asked to verify retirement code changes that were recognized from FY21 to FY22. These changes could be a result of a correction by the agency or retirement system. In other cases, the change could be due to a position change or tier determination.
- Significant salary changes +/- 15% were to be reviewed and validated by the agency. SERS consulted with its actuaries on this change threshold.
- Changes in the members' statuses from FY21 to FY22 were also to be examined. This included members that were active in FY21 but were either inactive or retired during FY22.
- SERS also performed analysis of the membership data and if applicable provide a listing of potential errors that requires review by the agency.

FY2022 SERS Reconciliation Process

- The FY2022 reconciliations are due before Tuesday, November 1, 2022.
- SERS will consider granting reasonable extensions to the census data reconciliation submissions if requested in writing.
- Ultimately, the retirement systems would like to have these reconciliations performed prior to the annual actuarial valuations to help detect and correct errors before potentially bad data is used by the actuaries in their work.

External Audit Testing of Census Data

External Audit Testing of Census Data

Agency staff and internal auditors should be aware that testing will be performed over FY22 census data in both regular financial audits and compliance examinations.

Preliminary surveys in external audits will contain questions pertaining to completion of the annual reconciliation of census data to the applicable retirement system.

Personal services testing in compliance examinations will include steps to:

- Determine a timely reconciliation of census data transmitted to the plan was performed.
- Select a representative sample and reperform the agency's reconciliation of census data transmitted to the retirement system.

External Audit Testing of Census Data

During financial audits, census data will be tested at a greater depth and detail.

Forwards testing: Testing plan records to employer records. Auditors will use SERS/SURS data and reconcile the agency/university population for completeness. Samples will be selected from retirement data and testing will be performed to determine the accuracy of census data.

Backwards testing: Testing agency records to SERS/SURS records. Sampling of individuals from two populations, regular vs. contractual payroll, for testing. Providing assurance that all members are included in the plan and ineligible individuals are excluded from the plan.

Expect inquiries related to controls over payroll/HR processes and support for completion of census reconciliations.

External Audit Testing of Census Data

The retirement systems cannot be expected to be the payroll auditors for the State of Illinois.

The employer (agency/university) is responsible for developing and maintaining internal control processes/procedures to ensure complete and accurate census data is timely reported to the respective retirement systems. This includes assurance over payroll data.

Agency payroll vouchers are certified by the agency head or his/her designee that asserts the payroll information provided is true, complete, correct, and made according to the provisions of law.

To provide the most assurance that census data is complete, accurate, and can be relied upon, controls should be implemented at both the agency/university level and at the retirement system.

Strengthening training, internal controls, and validations/edit checks of payroll systems can ultimately help prevent census data errors.

Census Data Testing Assertions

- All employees required to be enrolled into the retirement system in accordance with the Pension Code were properly enrolled during the examination period.
- The changes in significant elements of census data occurring during the examination period were completely and accurately reported by the agency to the retirement system.
- The proportionate share of employer contributions remitted by the agency to the retirement system during the examination period were complete, accurate, and in accordance with the Pension Code.

Internal Audit's Role in Census Data

Security of Member Information

While internal audit is not responsible over the security of this information, they should be informed of the risks involved and convey to representatives within their agency/university the appropriate way to handle this information.

Census data files may contain personally identifiable information which could include the individual's SSN, legal name, date of birth, or other identifying information. Inadvertent exposure or loss of this data could constitute a reportable breach event. It is imperative that all individuals accessing this information treat it appropriately.

SERS and SURS is using Entrust Encryption for transmitting and receiving census data reconciliation data. Designated personnel at your agency will be responsible for registering for a digital ID and having Entrust installed on their work PC.

Your agency may be asked to provide digital documents or data sets to external auditors during your agency's audit. You should ensure that these documents are encrypted at the document level and securely transmitted to the external audit firms and/or Auditor General staff. Most audit firms and the OAG use and are familiar with Entrust.

Security of Member Information

Never send PII in plain text email! Never email documents with PII without first encrypting that document!

SERS recommends that documents be encrypted at the file level and remain encrypted at rest. Following the census reconciliation, SERS recommends destroying the census data file if it is not needed to support the annual reconciliation.

SERS does not recommend printing census data files or related support, but if it must be done, all PII should be redacted and securely shred after use.

When in doubt on best practices in sharing membership information, please consult with your agency/university IT staff and the retirement system.

Internal Audit's Role in Census Reconciliations

- Ensure staff receiving, using, or transmitting member census data is exercising security of the member information.
- Make inquiries with agency staff to determine if the initial reconciliation has been completed. What was found? Were there any significant errors? How did these errors occur? What needs attention?
- Assess the risk of potential errors in payroll at your agency. Risk factors could include lack of formal procedures, lack of edit checks or independent review when performing payroll changes, and whether the individual performing payroll has been adequately trained and understands how the flow of payroll information impacts retirement records.
- Ensure agency/university staff is promptly complying with requests from external auditors in their testing of census data.
- For any planned internal audits covering HR or payroll, consider testing census data elements with a focus on the accuracy of member demographics and payroll information.

Understand The Risks To Inaccurate Census Data

- Perhaps the most important payroll transaction, is the first transaction for a new employee. On that payroll/certification, the retirement systems will receive critical information about the individual including their SSN, legal name, address, date of birth, gender, salary rate, position, and formula type.
- Subsequent changes to membership data including demographical corrections, salary rate/reported earnings, membership status, periods worked should be thoroughly reviewed prior to processing.
- There are risks that new personnel and payroll staff may not fully understand the pension plan, participation requirements, or be adequately trained in the systems that they utilize which could impact census data.
- Ensure your payroll/HR staff understands who should or should not participate in the plans, what retirement deduction codes/rates are used, how service credit is granted, and what does or does not constitute pensionable wages subject to retirement contributions.

Why Census Data Should be Important to IA

Member Impact: Census data and payroll errors can impact your retirement account or the account of your colleagues.

Agency Financial Impact: Census data errors can potentially cause a misstatement of your agency's financial statements. Significant and pervasive errors can impact the Statewide financials.

Audit Findings: Failure to complete reconciliations of the census data or transmit accurate census data to the retirement systems can result in external audit findings.

Statewide Initiative: Completing initial census reconciliations and subsequent reconciliations of census changes is important to the State of Illinois. It helps ensure that data can be relied upon and stated liabilities are accurate.

Avoiding Census Data Audit Findings

1. Develop a narrative on the census data processes for your entity. Document and understand how member information flows from your entity to the retirement system.
2. Ensure formal written procedures exist in the HR and payroll processes that will impact member census data. Document internal controls in place to help prevent errors in census data and employee payroll. Ensure controls are operating as intended.
3. Complete an initial full reconciliation of the census data. Retain support for audit evidence.
4. Follow guidance from the retirement plans in completing subsequent reconciliations covering significant changes from the previous fiscal year.
5. Use data available from the employer portals of the retirement system to ensure data is accurately recorded.

Avoiding Census Data Audit Findings

6. Schedule periods throughout the year to review personnel and file contents to ensure they support member payroll and demographics submitted to the retirement plans.
7. It is recommended that agency retirement or payroll coordinators verify member census data demographics during routine employee inquiries/encounters. This is important when an employee begins/transfers to your agency.
8. Place a focus on having secondary reviews or other processes when significant changes are processed through payroll.

Impact of Census Data Errors

Impact of Census Data Errors to Member

Scenario #1

- Through analysis of the census data and subsequent inquiry with the employing agency, a member was found that was contributing at the Alternative, Non-Coordinated rate of 12.5%, despite being an individual that should have been contributing at the 4% Regular Formula, Coordinated rate.
- Given that several years had passed before this error was discovered, the member had overcontributed to SERS a total of \$33,759. This represents an error refund payable to the member...without interest.
- Since she was granted alternative formula service erroneously, her benefit statement reflected an inflated future benefit estimate and estimated retirement date that was 7 years prior to her actual retirement date under the regular formula.

Impact of Census Data Errors to Member

Scenario #2

- Another employer inexplicably made a change on payroll, coding a currently participating member as a contractor. While the employee continued to be paid, she did not contribute to the retirement system as she should have.
- This issue went undetected for a period of 5 years and 1 month until it was uncovered during the census data reconciliation. The member was billed for periods which she did not contribute, a total of \$7,265.
- Since she did not contribute during this time, she was not initially granted 61 months of service. This would impact projection of her future benefits and benefit eligibility (retirement date).

Impact of Census Data Errors to Member

Scenario #3

- One agency improperly coded 4 employees as contractors, resulting in the members not contributing to SERS.
- These employees had to be billed for contributions owed. Member service credit would be understated, thus impacting retirement benefit and eligibility calculations.
- Subsequent analysis by SERS has found payroll miscodings where the member had under contributed to SERS due to payroll errors (participating in the regular formula when the member was alternative formula). One instance was found by SERS where the member had under contributed since beginning employment, a period of nearly 8 years.
- In short, no one likes “payroll surprises”. These errors will result in projected benefits and eligibility to be misstated on retirement statements which is important in individual retirement planning.

In Conclusion

- Receiving timely, accurate, and complete census data from employers is crucial for ensuring the accuracy of member records and reliability of reporting pension and OPEB liabilities at the agency, retirement plan, and Statewide level.
- Controls must be implemented at the agency/university level to ensure the accuracy of this data.
- To mitigate against the risk of inaccurate census data being used in actuarial valuations, the retirement systems have developed a reconciliation process that has been communicated to your agency/university.
- Census data and related controls over this data is being audited by the Auditor General and their special assistant auditors. Failure to complete reconciliations or to transmit inaccurate data to the plans can result in audit findings.
- Internal audit can help champion good internal controls over census data within their employer and help provide assurance that these controls are working as intended.

Questions?

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