



Alameda County Employees' Retirement Association
BOARD OF RETIREMENT

AUDIT COMMITTEE/BOARD MEETING
NOTICE and AGENDA

ACERA MISSION:

To provide ACERA members and employers with flexible, cost-effective, participant-oriented benefits through prudent investment management and superior member services.

Thursday, April 18, 2019
1:00 p.m.

LOCATION	COMMITTEE MEMBERS	
ACERA C.G. "BUD" QUIST BOARD ROOM 475 14 TH STREET, 10 TH FLOOR OAKLAND, CALIFORNIA 94612-1900 MAIN LINE: 510.628.3000 FAX: 510.268.9574	HENRY LEVY, CHAIR	EX-OFFICIO
	TARRELL GAMBLE, VICE-CHAIR	APPOINTED
	KEITH CARSON	APPOINTED
	DALE AMARAL	ELECTED SAFETY
	ELIZABETH ROGERS	ELECTED GENERAL

Should a quorum of the Board attend this meeting, this meeting shall be deemed a joint meeting of the Board and Committee.

The order of agenda items is subject to change without notice. Board and Committee agendas and minutes are available online at www.acera.org.

Note regarding public comments: Public comments are limited to four (4) minutes per person in total.

Note regarding accommodations: The Board of Retirement will provide reasonable accommodations for persons with special needs of accessibility who plan to attend Board meetings. Please contact ACERA at (510) 628-3000 to arrange for accommodation.

AUDIT COMMITTEE/BOARD MEETING

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Call to Order: 1:00 p.m.

Public Comment:

Action Items: Matters for Discussion and Possible Motion by the Committee

External Audit:

1. **Recommendation to extend WACO's contract to perform audits for calendar years 2019 and 2020.**

- Margo Allen

Recommendation:

The Audit Committee recommends to the Board of Retirement that the Board approve extending WACO's contract to perform audits for calendar years 2019 and 2020.

Information Items: These items are not presented for Committee action but consist of status updates and cyclical reports

External Audit

1. **Presentation and discussion of the draft Governmental Accounting Standards Board Statements No. 67 and 74 Valuations as of December 31, 2018 (Segal)**

- Margo Allen

Internal Audit

2. **Progress report on the Internal Audit Plan**

- Harsh Jadhav

3. **Presentation and discussion of the Financial Fraud Policy**

- Harsh Jadhav

Trustee Comment:

Future Discussion Items

External Audit

1. Discussion and possible motion to recommend approval of the December 31, 2018 Audited Financial Statements and Independent Auditor's Report
2. Discussion and possible motion to recommend adoption of the Government Accounting Standards Board (GASB) Statement No. 67 Actuarial Valuation and Addendum as of December 31, 2018

AUDIT COMMITTEE/BOARD MEETING

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3. Discussion and possible motion to recommend adoption of the Government Accounting Standards Board (GASB) Statement No. 74 Actuarial Valuation and Addendum as of December 31, 2018

Internal Audit

1. Progress report on the Internal Audit Plan
2. Review complete audits

Establishment of Next Meeting Date


May 16, 2019 at 1:00 pm



MEMORANDUM TO THE AUDIT COMMITTEE

DATE: April 18, 2019

TO: Members of the Audit Committee

FROM: Margo Allen, Fiscal Services Officer 

SUBJECT: Exercise Contract Option for External Auditor for Financial Years 2019-2020

Executive Summary

In October 2016, the Board of Retirement selected Williams Adley & Company-CA, LLP (WACO) as ACERA's external auditor using the results of a staff directed Request for Proposal (RFP). The selection stipulated a three year contract with a two-year extension option. WACO has since audited financial years 2016 and 2017, and is currently auditing financial year 2018. Consequently, staff is requesting approval to exercise the two-year contract extension option for WACO to audit ACERA's financial statements for calendar year-end 2019 and 2020. Subsequently, staff can prepare to conduct another external audit RFP in Q1 of 2021.

Recommendation

Staff recommends the Audit Committee recommend to the Board of Retirement that the Board approve the two-year contract extension option for Williams Adley & Company-CA, LLP to audit financial years 2019 and 2020.

Attachments:

1. Addendum to Williams Adley Fee Letter Dated November 23, 2016
2. Williams Adley Fee Letter Dated November 23, 2016



Addendum to Williams Adley Fee Letter Dated November 23, 2016

April 9, 2019

Margo Allen, Fiscal Services Officer
Alameda County Employees' Retirement Association
475-14th Street, Suite 1000
Oakland, CA 94612

Dear Margo:

In response to your request, our fee quote for annual audit services for FY 2019 and FY 2020 is outlined below.

	<u>FY 2019</u>	<u>FY 2020</u>	<u>Total</u>
Audit of Financial Statements	\$128,720	\$131,940	\$260,660
GASB 67/68	12,345	12,655	25,000
GASB 74/75	11,305	11,590	22,895
Total	<u>\$152,370</u>	<u>\$156,185</u>	<u>\$308,555</u>

The fees were determined using the budgeted hours by staff level and discounts as previously identified in my letter dated November 23, 2016. The quoted hourly rates for FY 2019 are identified below and have been escalated from the initial rates used in my letter dated November 23, 2016.

<u>Personnel</u>	<u>Quoted Hourly Rates</u>	
	<u>FY 2019</u>	<u>FY 2020</u>
Partner	\$230	\$235
Manager	\$168	\$171
Supervisor	\$123	\$126
Staff	\$108	\$111

Please contact me if you have any questions/concerns regarding our fees. We appreciate the opportunity to serve ACERA and look forward to a continuing relationship.

Very truly yours,

Audrey F. Elbert, CPA
Partner

WILLIAMS, ADLEY & COMPANY-CA, LLP

Certified Public Accountants / Management Consultants

7677 Oakport Street, Suite 1000 • Oakland, CA 94621 • (510) 893-8114 • Fax: (510) 893-2603

<http://wacllp.com>



November 23, 2016

Margo Allen, Fiscal Services Officer
Alameda County Employees' Retirement Association
475-14th Street, Suite 1000
Oakland, CA 94612

Dear Margo:

In response to your request, our updated fee quote for annual audit services is outlined below.

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Total</u>
Audit of Financial Statements	\$119,530	\$122,520	\$125,580	\$367,630
GASB 67/68	11,465	11,750	12,045	35,260
GASB 74/75	<u>9,245</u>	<u>10,760</u>	<u>11,030</u>	<u>31,035</u>
Total	<u>\$140,240</u>	<u>\$145,030</u>	<u>\$148,655</u>	<u>\$433,925</u>

The fees were determined based on the following budgeted hours by staff level. Budgeted hours for GASB 67/68 and 74/75 services have been developed assuming (1) actuarial methods and assumptions remain relatively consistent throughout the life of the contract; (2) related annual meetings will not exceed two; and (3) GASB 74/75 testing can be performed concurrently with other audit testing. The increase in fees for GASB 74/75 in year 2 reflects the additional testing related to OPEB. If additional time is required related to these tasks, our hours and related fees may increase. Based on our understanding of the relevant factors, we do not expect this to occur. Our best estimate, however, of an upper range (excluding any actuarial consulting services), would be approximately \$18,000 for GASB 67/68 and \$19,500 for GASB 74/75. Any such additional fees would be discussed with ACERA management *before* we incur the costs.

Audit	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partner	100	\$ 269	\$ 215	\$ 21,500
Manager	180	161	157	28,260
Supervisor	344	125	115	39,560
Staff	<u>365</u>	<u>100</u>	<u>100</u>	<u>36,500</u>
Total	<u>989</u>			125,820
Less Discount				<u>(6,290)</u>
Proposed Fees				\$ <u>119,530</u>

GASB 67/68

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partner	20	\$ 269	\$ 215	\$ 4,300
Manager	24	161	157	3,768
Supervisor	0	125	115	0
Staff	40	100	100	4,000
Total	84			12,068
Less Discount				(603)
Proposed Fees			\$	<u>11,465</u>

GASB 74/75

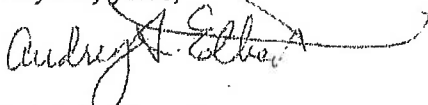
	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partner	24	\$ 269	\$ 215	\$ 5,160
Manager	24	161	157	3,768
Supervisor	0	125	115	0
Staff	8	100	100	800
Total	56			9,728
Less Discount				(483)
Proposed Fees			\$	<u>9,245</u>

Actuarial Consulting

As indicated above, we have not included any actuarial consulting fees in our GASB 67/68 and GASB 74/75 pricing. However, we anticipate that we may need to utilize a consulting actuary. Based on prior experience we are estimating a budget of \$8,000 (not-to-exceed, based on actual costs) for such services on a one time basis during the life of the contract. We are not including this amount in our fee estimate as we have no way to determine whether the amount will be necessary.

Our proposed fees as outlined above are negotiable. Please contact me if you have any questions/concerns regarding our fees. We appreciate the opportunity to serve ACERA and look forward to a continuing relationship.

Very truly yours,




Audrey F. Elbert, CPA
Partner



MEMORANDUM TO THE AUDIT COMMITTEE

DATE: April 18, 2019

TO: Members of the Audit Committee

FROM: Margo Allen, Fiscal Services Officer 

SUBJECT: Draft Review of Governmental Accounting Standards Board (GASB) Statement No. 67 and Statement No. 74 Actuarial Valuations as of December 31, 2018

Executive Summary

Staff is in receipt of the draft GASB Statement No. 67 and draft GASB Statement No. 74 (GASB 67 and GASB 74, respectively) actuarial valuations as of December 31, 2018. It has been staff's practice to bring the GASB 67 and GASB 74 valuations (*liability reporting*) to the audit committee for review and approval, as opposed to the pension valuation (*contribution funding*), which staff takes to the actuarial committee.

The GASB 67 valuation measures and reports the Total/Net Pension Liability (TPL/NPL), while the GASB 74 valuation measures and reports the Total/Net OPEB (Other Postemployment Benefits) Liability (TOL/NOL)

GASB Statement No. 67, Reporting the 2018 Net Pension Liability (NPL)

As of December 31, 2018, the Net Pension Liability (NPL) was \$2,764 million, compared to \$2,014 million as of December 31, 2017. The \$750 million increase is primarily a result of the unfavorable investment return during calendar year 2018 of about \$727 million.

Consider the following points when reviewing the GASB 67 report:

- The GASB rules only define pension and non-OPEB liability and expense for financial reporting purposes, and do not apply to contribution amounts for pension funding purposes. Employers and plans must still develop and adopt funding policies under current practices.
- When measuring **pension liability**, GASB 67 uses the same actuarial cost method (Entry Age) and the same type of discount rate (expected return on assets) as ACERA uses for funding. This means that the TPL measure for financial reporting shown in the report is determined on generally the same basis as ACERA's Actuarial Accrued Liability (AAL) measure for funding. Note that the same is generally true for the Normal Cost component of the annual plan cost for funding and financial reporting.
- The **Net Pension Liability** (NPL) is equal to the difference between the TPL and the Plan's Fiduciary Net Position. The Plan's Fiduciary Net Position is equal to the market value of assets and therefore, the NPL measure is very similar to an Unfunded Actuarial Accrued Liability (UAAL) calculated on a market value basis.

GASB Statement No. 74, Reporting the 2018 Net OPEB Liability (NOL)

As of December 31, 2018, the Net OPEB Liability (NOL) was \$232.9 million, compared to \$27.5 million as of December 31, 2017. The \$205.4 million increase was primarily a result of unfavorable investment

results during calendar year 2018 of about \$209 million (for an actual market return of *negative* 14.1%¹ versus 7.25% assumed in the valuation), offset somewhat by updating health trend assumptions² (which on a net basis decrease the NOL by about \$11.4 million).

Consider the following points when reviewing the GASB 74 report:

- The GASB rules only define OPEB liability and expense for financial reporting purposes, and do not apply to contribution amounts for pension funding purposes. Employers and plans must still develop and adopt funding policies under current practices.
- When measuring **OPEB liability**, GASB 74 uses the same actuarial cost method (Entry Age) and for benefits that are being fully funded on an actuarial basis, the same expected return on Plan assets as used for funding. This means that the TOL measure for financial reporting shown in this report is determined on the same basis as the Actuarial Accrued Liability (AAL) measure for funding.
- The **Net OPEB Liability** (NOL) is equal to the difference between the TOL and the Plan's Fiduciary Net Position. The Plan's Fiduciary Net Position is equal to the market value of assets. The NOL reflects all investment gains and losses as of the measurement date.

Conclusion

Segal Consulting is prepared to discuss the GASB 67 and the GASB 74 reporting valuations and, if necessary, the methodology used for calculating and reporting the NPL and NOL, which subsequently determines each employer's proportionate share of each liability.

¹ It should be noted that the *negative* 14.1% market value investment return for the SRBR is lower than the *negative* 4.62% investment return included in the December 31, 2018, pension funding valuation for ACERA's entire portfolio. The lower return for the SRBR is primarily a result of the reversal of the 50% of future excess earnings that might be allocated to the SRBR for the deferred investment gains as of December 31, 2017, to reflect future returns below 7.25% that might be allocated to the SRBR for the deferred investment losses as of December 31, 2018.

² In particular, there is a reduction in the long term annual trend assumption from 4.5% to 4.0% for dental/vision and Medicare Part B which decreases the NOL by \$23.7 million.



MEMORANDUM TO THE AUDIT COMMITTEE

DATE: April 18, 2019

TO: Members of the Audit Committee

FROM: Harsh Jadhav, Chief of Internal Audit

SUBJECT: 2019 Internal Audit Program

Executive Summary

The Internal Audit Department is in the process of conducting five internal audits and completing the Alameda Health System (AHS) and Superior Courts employer audits. In addition, we will implement the ACERA Financial Fraud Hotline by the end of April, and plan to provide staff training on data analytics and financial fraud during the year. The Audit Committee meeting in April 2019 will feature an update on the 2019 Internal Audit Program and a review of the Financial Fraud Policy.

2019 Audit Plan

Internal Audit Program (2019)	Service Line	Assigned	Status	Q1	Q2	Q3	Q4
Medical Part B Premium Reimbursement (MBRP) Audit	Internal Audit	Lyndon	Started				
Underpayments/Overpayments (Vendor Payments) Audit	Internal Audit	Lyndon	Not Started				
Investment Watchlist Audit	Internal Audit	Harsh	Started				
Cybersecurity and Data Security Review	Internal Audit	Harsh	Ongoing				
30 Year Membership Verification Audit	Internal Audit	Harsh	Not Started				
Employer Audit Testing/Report - Alameda Health System	Employer Audit	Caxton	Started				
Employer Audit Testing/Report - Superior Courts	Employer Audit	Caxton	Started				
2019 Annual Internal Audit Risk Assessment	Administration	Harsh	Complete				
2020 Annual Internal Audit Risk Assessment	Administration	Harsh	Not Started				
Actuarial Data Conversion	Administration	Lyndon	Not Started				
Implement Fraud Hotline	Special Project	Lyndon	Started				
Data Analytics Training for Staff	Special Project	Lyndon	Not Started				
Fraud Training for Staff	Special Project	Caxton/Lyndon	Not Started				

2019 Internal Audit Program

Internal Audits

Audit – Medical Part B Premium Reimbursement (MBRP)

The objective of this audit is to ensure the monthly medical allowance (specifically related to the Medicare Benefit Reimbursement Plan) is paid to eligible retirees.

Audit - Underpayment and Overpayment Audits (Vendor and Taxing Authority Payments)

The objective of this audit is to ensure business processes are in place and effective in preventing and recovering overpayments made to healthcare vendors and government taxing authorities. The review will include a walk-through of the business processes to determine how overpayments occur, the internal controls in place to mitigate overpayments, and the recovery process.

Audit – Investment Watchlist Audit

The objective of this audit is to review the Investment Department's procedures for monitoring fund managers based on the criteria listed in the General Investment Guidelines, Policies, and Procedures. Our focus will be to assess whether the internal controls were designed effectively to ensure performance decisions related to the Watchlist, Probation and Termination status, were made in accordance with the policy and established procedures.

.Audit – Cybersecurity Review and Data Security

The objective of this review will be to work with the PRISM Department to determine if adequate firewall, access controls, employee training, and processes for incident response, business recovery, and threat analysis are in place to ensure sensitive organizational data and member data are protected and secure.

Audit – 30-Year Membership Verification

The objective of this audit is to verify members granted 30-Year Membership have met the requirements for contributions to stop after 30 years of service credit. The scope of work will include reciprocity, membership entry dates for both safety and general members, and membership tiers.

Employer Audits

Audit – PEPRA Employer Audit of Alameda Health System

The employer audit of the Alameda Health System will assess the participating employer's compliance with state laws, rules, regulations and administrative policies regarding the enrollment of members, reporting of member data, and the reporting and remittance of employer contributions in accordance with the Public Employees' Pension Reform Act of 2013.

Audit – PEPRA Employer Audit of Superior Courts of California

The employer audit of Superior Courts of California will assess the participating employer's compliance with state laws, rules, regulations and administrative policies regarding the enrollment of members, reporting of member data, and the reporting and remittance of employer contributions in accordance with the Public Employees' Pension Reform Act of 2013.

Special Projects

Data Analytics Training

Internal Audit staff plans to hold internal training sessions to educate ACERA staff on various technology tools and processes to improve the use of data analytics for business decision making.

Fraud Training

Internal Audit staff is developing a fraud awareness program to educate team members on anti-fraud activities that can reduce the cost of fraud within the organization. The training will cover fraud areas related to lack of segregation of duties, unauthorized use of data, operations, financial transactions, and theft.

Fraud Hotline

As part of their annual fraud assessment, the external auditor recommended for ACERA to implement a Financial Fraud Hotline. We are expecting the hotline to be functional by Q2 2019.

Update on the Employer Audit Strategy

Participating Employer	2014	2015	2016	2017	2018	2019
Alameda County			X			
Superior Courts of California						X
Alameda Health System				X	→	
First 5 Alameda County	X					
Housing Authority of the County of Alameda		X				
Livermore Area Recreation and Park District	X					

The Internal Audit Department completed the testing phase for the Alameda Health System Employer Audit and is now in the communication and report writing phase. In addition, we are in the middle of the testing phase for the employer audit for the County of Alameda, Superior Courts. At this stage, we are testing membership and eligibility data. We want to extend our thanks to both participating employers for their excellent cooperation.

Summary

The 2019 Audit Program includes seven active audits/reviews and three key initiatives. Similar to the previous year, the proposed audit examinations cover a cross-section of departments and risks. I want to acknowledge my staff for their strong effort and dedication to delivering quality work. The Internal Audit Staff will continue to do a great job partnering with management, servicing the Board of Retirement, and protecting our members.



**Alameda County Employees' Retirement Association
Internal Audit Department**



Internal Audit Department 2019 Internal Audit Plan

April 18, 2019

Agenda

1. Discussion of the Financial Fraud Policy
2. Progress on the Internal Audit Plan – 2019
3. Progress on the Employer Audit Plan – 2019
4. Questions

Financial Fraud Policy










- ACERA is committed to maintaining the highest standards of ethics, integrity and accountability.
- ACERA recognizes the importance of protecting the organization, its employees, operations, members and assets from the consequences of fraudulent financial activity.
- Employees are the first line of defense against fraud and should be vigilant at all times and report any concerns about financial fraud in accordance with these policy guidelines.

2019 Internal Audit Plan

Internal Audit Program (2019)	Service Line	Assigned	Status	Q1	Q2	Q3	Q4
Medical Part B Premium Reimbursement (MBRP) Audit	Internal Audit	Lyndon	Started				
Underpayments/Overpayments (Vendor Payments) Audit	Internal Audit	Lyndon	Not Started				
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Data Analytics Training for Staff	Special Project	Lyndon	Not Started				
Fraud Training for Staff	Special Project	Caxton/Lyndon	Not Started				

Employer Audit Plan

	Participating Employer	2014	2015	2016	2017	2018	2019
	Alameda County			X			
	Superior Courts of California						X
	Alameda Health System				X		
	First 5 Alameda County	X					
	Housing Authority of the County of Alameda		X				
	Livermore Area Recreation and Park District	X					

 Complete

 In Process

Questions





MEMORANDUM TO THE AUDIT COMMITTEE

DATE: April 18, 2019

TO: Members of the Audit Committee

FROM: Harsh Jadhav, Chief of Internal Audit
Margo Allen, Fiscal Services Officer

SUBJECT: Financial Fraud Policy

Executive Summary

The Financial Fraud Policy is a management policy and is being presented to the Audit Committee for information only.

The policy was created to emphasize ACERA's commitment to maintaining the highest standards of ethics, integrity, and accountability, and recognizing the importance of protecting the organization, its employees, operations, members and assets from the consequences of fraudulent financial activity.

The policy was also established to facilitate the development of internal controls that will aid in the detection and prevention of financial fraud. ACERA employees are the first line of defense against fraud and should report any concerns about financial fraud in accordance with these policy guidelines.

By providing proper policy guidelines and assigning responsibility for the development of internal controls and the conduct of investigations, ACERA can ensure consistent and effective prevention, investigation, and reporting of financial fraud.



FINANCIAL FRAUD POLICY

I. PURPOSE

The Alameda County Employees' Retirement Association ("ACERA") has adopted this policy to ensure consistent and effective prevention, investigation, and reporting of fraud. It will provide guidelines on how to report financial fraud by employees who suspect that financial fraud has occurred.

II. OBJECTIVE

ACERA is committed to maintaining the highest standards of ethics, integrity, and accountability. ACERA recognizes the importance of protecting the organization, its employees, operations, members and assets from the consequences of fraudulent financial activity. Employees are the first line of defense against fraud and should be vigilant at all times, and report any concerns about financial fraud in accordance with these policy guidelines.

III. POLICY GUIDELINES

- A. This policy applies to any known or suspected acts of financial fraud at ACERA. These acts may involve ACERA employees, members, beneficiaries, consultants, vendors, contractors, or any other parties, with a business relationship with ACERA.
- B. This policy will not apply to known or suspected acts of financial fraud or irregularity by trustees, participating employers, or employees of a participating employer's organization. Those complaints should be directed to the CEO, Chief Counsel, Assistant CEO, ACERA Board Chairperson or the Board Vice-Chairperson.
- C. Each member of the management team should be familiar with the types of financial fraud that might occur within their area of responsibility and be alert for any indication of financial irregularity. Employees who become aware of circumstances that might constitute financial fraud should first report the circumstances to the manager of the area

affected or to their manager. The employee may also report the circumstances directly to the Internal Audit Department or through the Financial Fraud Hotline.

- D. The Internal Audit Department will coordinate an investigation with the CEO, Chief Counsel, and others as appropriate. If any member of the Internal Audit Department is suspected of committing fraud, the CEO, Assistant CEO, or Chief Counsel should be notified immediately by the employee or the employee's manager.

IV. DEFINITION OF FINANCIAL FRAUD

- A. For the purpose of this policy, financial fraud can be broadly defined as an intentional act of deception involving misappropriation, financial reporting, or transaction processing for the purpose of personal gain.
- B. "Misappropriation" means the intentional, illegal use of funds of another person for one's own use or another unauthorized purpose. Misappropriation also includes embezzlement and theft.
- C. Examples of financial fraud are listed below. This is not an exhaustive list.
1. Authorizing or intentionally making payment to a fictitious or unapproved vendor.
 2. Theft of government money or property.
 3. Fraudulent claims for benefits.
 4. Consultant or vendor purposely overbilling or submitting false expense claims to ACERA.
 5. Any similar or related financial irregularity.

V. OTHER IRREGULARITIES NOT INVOLVING FINANCIAL FRAUD

This policy does not relate to circumstances that do not involve financial fraud. Concerns about unnecessary spending, improper use of government resources, or inefficiencies should be brought to the attention of departmental management. Concerns about behavioral conduct for temporary staff, permanent staff or contractors should be reported to the employee's management or to the Human Resource Department. Vendor performance issues or violations of contract terms should be reported directly to the department manager

responsible for the contract or to the Legal Department. If there is any question as to whether an action constitutes financial fraud, contact the Internal Audit Department for further guidance.

VI. INVESTIGATION OF ALLEGATIONS OF FRAUD

- A. Following a report of alleged financial fraud, an investigator or investigation team may be formed by the Internal Audit Department, the Chief Executive Officer (CEO), or someone designated by the CEO or the Chief Counsel. Members of that team will have free and unrestricted access to all ACERA records that are within the scope of the investigation.
- B. Confidentiality of the complaint will be maintained, and information will be shared only with those parties who have a need to know about the details of the complaint and the identity of the complainant and parties involved. Information received about alleged fraud may need to be disclosed to internal and external parties as part of an investigation or as required by law.
- C. Employees who suspect fraudulent activity should not attempt to personally conduct investigations, interviews or interrogations related to any suspected fraudulent act, but will instead, notify their immediate supervisor, any Senior Leader or the Internal Audit Department of the facts surrounding the alleged fraudulent activity.
- D. Investigation results will not be disclosed or discussed with anyone other than those who have a need to know.

VII. POLICY REVIEW

Management shall review this policy at least every three (3) years to ensure that it remains relevant and appropriate.

VIII. POLICY HISTORY

- A. Management has adopted this policy on 04/18/2019