

DISTRICT OF COLUMBIA RETIREMENT BOARD FEBRUARY 22<sup>ND</sup>, 2023  
PERFORMANCE HEARING QUESTIONS AND RESPONSES

1. Please provide, as an attachment to your answers, a current organizational chart for your agency with the number of vacant and filled FTEs marked in each box. Include the names of all senior personnel. Also include the effective date on the chart. For senior level positions, indicate the date that the position was filled.

**See Attachment #1**

2. Please provide, as an attachment, a Schedule A for your agency which identifies all employees by title/position, current salary, fringe benefits, and program office as of January 31. The Schedule A also should indicate all vacant positions in the agency. Please do not include Social Security numbers.

**See Attachment #2**

3. Please indicate for which of the following positions a vacancy currently exists. For each, please include the date the position became vacant and when the position was most recently filled: a) Executive Director, b) Chief Operating Officer, c) Chief Financial Officer, d) Chief Investment Officer, e) Chief Benefits Officer, f) Pension Administrator, g) Chief Procurement Officer (or senior ranking contract specialist), h) Chief Technology Officer (or Director of IT), i) Director of Human Resource, j) Director of Internal Audit, k) Director of Risk and Investment compliance, l) General Counsel, and m) Freedom of Information Act Officer.

	<b>Title</b>	<b>Current Status</b>	<b>Date position became vacant</b>	<b>Date most recently filled</b>
<b>a)</b>	Executive Director	Filled	3/26/2021	9/7/2021
<b>b)</b>	Chief Operating Officer	TBD	10/1/2017	9/30/2017
<b>c)</b>	Chief Financial Officer	Filled	4/24/2020	3/15/2021
<b>d)</b>	Chief Investment Officer	Filled	7/30/21	10/11/2021
<b>e)</b>	Chief Benefits Officer	Filled	5/28/2021	10/10/2021
<b>f)</b>	Pension Administrator (same as above)	Filled	Same position as above	Same position as above
<b>g)</b>	Chief Procurement Officer (or senior ranking contract specialist)	Open	10/07/2022	10/06/2022
<b>h)</b>	Chief Technology Officer (or Director of IT)	Filled	4/17/2018	10/15/2019
<b>i)</b>	Director of Human Resources	Filled	5/22/2011	5/23/2011
<b>j)</b>	Director of Internal Audit	Filled	12/06/2019	01/17/2023
<b>k)</b>	Director of Risk and Investment compliance	Open	8/31/2022	8/30/2022
<b>l)</b>	General Counsel	Filled	7/15/2022	1/03/2023
<b>m)</b>	Freedom of Information Act Officer	Filled	N/A	N/A

4. Please list as of January 31 all employees detailed to or from your agency, if any, anytime this fiscal year. For each employee identified, please provide the name of the agency the employee is detailed to or from, the reason for the detail, the date the detail began, and the employee's actual or projected date of return.

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**There were no employees detailed to or from the District of Columbia Retirement Board (DCRB) as of January 1, 2023.**

5. (a) For fiscal year 2022, please list each employee whose annual salary was \$125,000 or more. For each employee listed provide the name, position title, salary, and amount of any overtime and any bonus pay.

Name	Title	\$ Salary	\$ Overtime	\$ Bonus
Balestrieri, Gianpiero	Executive Director	\$ 239,918	\$ -	\$ -
Musara, Munetsi	Chief Financial Officer	\$ 236,900	\$ -	\$ 15,000
Sahm, Patrick	Chief Investment Officer	\$ 224,758	\$ -	\$ 12,000
Hernandez, Daniel	Pension Administrator	\$ 220,000	\$ -	\$ 10,000
King, Leslie	Senior Counsel	\$ 215,422	\$ -	\$ 15,000
Murthy, Ram	Director of Information Technology	\$ 202,632	\$ -	\$ 10,000
Morgan, Lori	Director of Finance	\$ 191,000	\$ -	\$ 12,000
Valentine, Lawrence	Director of Human Resources	\$ 188,000	\$ -	\$ 12,000
Tolani, Deepak	Senior Investment Strategist	\$ 162,000	\$ -	\$ -
Edwards, Janine	Deputy Chief Benefits Officer	\$ 160,000	\$ -	\$ -
Burnett, Michaela	Senior IT Specialist, Applications & Data Services	\$ 156,000	\$ -	\$ 2,500
Treadwell, Sylvia	Retirement Services Manager	\$ 153,386	\$ -	\$ 5,000
Canlas, Jamia	Senior Investment Strategist	\$ 149,000	\$ -	\$ -
Kawashima, Akiko	Controller	\$ 140,039	\$ -	\$ -
Anderson, Radeshia	Supervisory Contract Specialist	\$ 140,000	\$ -	\$ -
Reaves, Deborah	Business Operations Manager	\$ 138,832	\$ -	\$ 3,000
Oneal, Rhonda	Senior Accountant	\$ 137,370	\$ -	\$ 5,000
Andrade, Diego	Senior IT Specialist, Systems & Network Services	\$ 135,918	\$ -	\$ 5,000
Oliver, Jacqueline	Member Services Manager	\$ 131,000	\$ -	\$ 5,000
Thomas, Jacqueline	Manager, Quality Compliance & Projects	\$ 130,378	\$ -	\$ 5,000
Jackson, Mark	IT Specialist, Systems & Network Services	\$ 126,058	\$ -	\$ 2,500
Gebremeskel, Wukyanos	IT Specialist, Applications & Data Services	\$ 125,587	\$ -	\$ 2,000
Nichols, Ortencia	Senior Financial Management Specialist & Budget Analyst	\$ 125,376	\$ -	\$ 2,500
Carson, Rabinai	HR Compliance Specialist	\$ 125,000	\$ -	\$ 5,000
Romero, Anthony	Senior IT Specialist, Program Management Services	\$ 125,000	\$ -	\$ 4,000

- (b) For fiscal year 2023 (as of January 31), please list each employee whose salary is or was \$125,000 or more. For each employee listed provide the name, position title, salary, and amount of any overtime and any bonus pay as of the date of your response.

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<b>Name</b>	<b>Title</b>	<b>\$ Salary</b>	<b>\$ Overtime</b>	<b>\$ Bonus</b>
Balestrieri, Gianpiero	Executive Director	\$ 239,918	\$ -	\$ -
Musara, Munetsi	Chief Financial Officer	\$ 239,918	\$ -	\$ -
Sahm, Patrick	Chief Investment Officer	\$ 232,000	\$ -	\$ -
Hernandez, Daniel	Pension Administrator	\$ 231,501	\$ -	\$ -
Serraino, Stephen	General Counsel	\$ 230,000	\$ -	\$ -
Gormley, Paul	Director of Internal Audit & Compliance	\$ 220,000	\$ -	\$ -
Bowie, Emily	Senior Counsel	\$ 220,000	\$ -	\$ -
King, Leslie	Senior Counsel	\$ 215,422	\$ -	\$ -
Murthy, Ram	Director of Information Technology	\$ 208,711	\$ -	\$ -
Morgan, Lori	Director of Finance	\$ 196,730	\$ -	\$ -
Valentine, Lawrence	Director of Human Resources	\$ 193,640	\$ -	\$ -
Smith, Lauren	Communications & Public Relations Director	\$ 185,000	\$ -	\$ -
Tolani, Deepak	Senior Investment Strategist	\$ 166,860	\$ -	\$ -
Edwards, Janine	Deputy Chief Benefits Officer	\$ 164,800	\$ -	\$ -
Burnett, Michaela	Senior IT Specialist, Application & Data Services	\$ 160,680	\$ -	\$ -
Treadwell, Sylvia	Retirement Services Manager	\$ 157,988	\$ -	\$ -
Canlas, Jamia	Senior Investment Strategist	\$ 153,470	\$ -	\$ -
Oneal, Rhonda	Senior Accountant	\$ 140,313	\$ -	\$ -
Reaves, Deborah	Business Operations Manager	\$ 140,313	\$ -	\$ -
Andrade, Diego	Senior IT Specialist, Systems & Network Services	\$ 139,996	\$ -	\$ -
Oliver, Jacqueline	Member Services Manager	\$ 134,930	\$ -	\$ -
Thomas, Jacqueline	Manager, Quality Compliance & Projects	\$ 134,289	\$ -	\$ -
Jackson, Mark	IT Specialist, Systems & Network Services	\$ 129,840	\$ -	\$ -
Gebremeskel, Wukyanos	IT Specialist, Applications & Data Services	\$ 129,355	\$ -	\$ -
Carson, Rabinai	HR Compliance Specialist	\$ 128,750	\$ -	\$ -
Romero, Anthony	Senior IT Specialist, Program Management Services	\$ 128,750	\$ -	\$ -

6. Please list, in descending order, the top 15 overtime earners in your agency for fiscal year 2022. For each, state the employee's name, position or title, salary, and aggregate overtime pay.

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Name	Title	\$ Salary	\$ Overtime
Walker, Shaiasia	Member Services Representative	\$ 53,000	\$ 5,899
Morgan, Dennis	Records Management Specialist	\$ 65,000	\$ 4,205
Willis, Jennifer	Lead, Member Services Representative	\$ 68,000	\$ 3,871
Lewis, Cornell	Records Management Specialist	\$ 65,000	\$ 3,228
Meagher, Dylan	Project Analyst	\$ 60,176	\$ 2,556
Pierce, Shelly	Member Services Representative	\$ 57,289	\$ 1,965
Carver, Sean	Records Management Specialist	\$ 72,000	\$ 2,247
LaPrade, India	Retirement Specialist	\$ 74,000	\$ 1,873
Johnson, Bridgette	Retirement Analyst	\$ 81,150	\$ 1,136
Butler, Ericka	Member Services Representative	\$ 50,500	\$ 534
Coleman, Latashia	Retirement Specialist	\$ 70,040	\$ 707
Hall, Kimbra	Retirement Analyst	\$ 76,000	\$ 438
Diaz, Erika	Member Services Representative	\$ 50,500	\$ 291
Harden, Cheryl	Administrative Assistant (Benefits)	\$ 58,905	\$ 297
Maynard, Paul	Retirement Analyst	\$ 78,786	\$ 331

7. (a) For fiscal years 2021, 2022, and 2023 (as of January 31), please provide a list of employee bonuses or special award pay granted that identifies the employee receiving the bonus or special pay, the amount received, and the reason for the bonus or special pay.

Employee	FY22 Bonus (FY21 Performance)	Employee	FY22 Bonus (FY21 Performance)
Andrade, Diego	\$5,000	McSears, Denice	\$3,000
Ashford, Pamela	\$5,000	Morgan, Dennis	\$1,500
Burnett, Michaela	\$2,500	Morgan, Lori	\$12,000
Carson, Rabinai	\$5,000	Morgan, Ricardo	\$5,000
Dentz, Morgan	\$2,500	Murthy, Ram	\$10,000
Gebremeskel, Wukyanos	\$2,000	Musara, Munetsi	\$15,000
Greene, Joyce	\$2,500	Nichols, Ortencia	\$2,500
Harris, Johniece	\$3,000	Oliver, Jacqueline	\$5,000
Hernandez, Daniel	\$10,000	O'Neal, Rhonda	\$5,000
Jackson, Mark	\$2,500	Reaves, Deborah	\$3,000
John, Thomas	\$1,500	Rivers, Bonnie	\$5,000
Johnson, Bridgette	\$1,500	Romero, Anthony	\$4,000
Jordan Richardson, Lisa	\$1,500	Ross, Anita	\$1,500
King, Leslie	\$15,000	Sahm, Patrick	\$12,000
Kusi, Augustine	\$3,000	Thomas, Jacqueline	\$5,000
LaPrade, India	\$1,500	Thomas, Lovely	\$1,500
Lewis, Cornell	\$1,500	Treadwell, Sylvia	\$5,000
Marshmon, Giovanni	\$1,500	Valentine, Vernon	\$12,000
Maynard, Paul	\$1,500	Zeinali, Matta	\$3,000

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(b) For fiscal years 2021 2022, and 2023 (as of January 31), please provide a list of employees receiving administrative allowance. What is an “administrative allowance”? What is the basis for this?

**An additional income allowance (“AIA”) is an authorized amount or rate of additional compensation paid to an employee who occupies a position determined by the Chair of the Board or the Executive Director of DCRB, to have a significant recruitment and retention problem. An AIA allowance may not exceed 15% of the maximum rate payable for the DCRB established grade of the position in question. Authority for this program is covered under Section 1-711 (k) of the District of Columbia Official Code that allows for creation of independent classification and compensation policies. In fiscal year 2020, DCRB’s former Executive Director (Sheila Morgan-Johnson) and former General Counsel (Erie Sampson) each received an AIA. In fiscal years 2022 and 2023, no DCRB employee received an AIA.**

(c) Do any employees have a deferred compensation plan? Who? What is the legal authority for this? For fiscal years 2021, 2022, and 2023, did any employee receive a deferred compensation plan payment? For each receiving this, is any further, future payment to be made?

**No current DCRB employees have a special deferred compensation plan (most DCRB employees do participate in the District’s 457(b) deferred compensation plan). In FY 2020 and FY 2021, DCRB’s former Executive Director (Sheila Morgan-Johnson) participated in a special 457(f) deferred compensation plan, which was part of her Board-approved employment contract. There are no future payments to be made from this plan.**

8. For fiscal years 2022 and 2023 (as of January 31), please list each employee separated from the agency with separation pay. State the amount and number of weeks of pay. Also, for each, state the reason for the separation.

**DCRB did not make any separation payments during this period.**

9. For fiscal years 2021 2022, and 2023 (as of January 31), please state the total number of employees receiving worker’s compensation payments.

**DCRB did not have any employees receiving workers’ compensation payments during this period.**

10. Please provide the name of each employee who was or is on administrative leave in fiscal years 2022 and 2023 (as of January 31). In addition, for each employee identified, please provide: (1) their position; (2) a brief description of the reason they were placed on leave; (3) the dates they were/are on administrative leave; (4) whether the leave was/is paid or unpaid; and (5) their current status (as of February 21, 2023).

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Name	Position	Reason for leave	Dates of Leave	Paid/Unpaid	Status (as of 2/21/23)
Erie Sampson	General Counsel	Agency-initiated leave, pending review of internal matter	10/04/2021-07/07/2022	Paid	No longer with DCRB
Kimberly Woods	Director of Risk and Investment Compliance	Leave granted during review of internal matter	11/22/2021-04/29/2022	Paid	No longer with DCRB

11. For fiscal years 2022 and 2023 (as of January 31), please list, in chronological order, all intra-District transfers to or from the agency. Give the date, amount, and reason for the transfer.

**DCRB does not have intra-district transfers because DCRB expenditures are not captured in DIFS. As an independent agency, DCRB as a separate system of record. DCRB sends funds to other District agencies via wire transfers in lieu of an intra-district transfer. The list below details the wire transfers between DCR and District agencies.**

<b>FY 2022</b>					
Agency	Date	Reason	Amount	Paid/Received	
DC Office of the Chief Technology Officer	2/9/2022	Migrate and host DCRB IT infrastructure to OCTO	\$248,314.91	Paid	
DC Office of the Chief Technology Officer	2/9/2022	IT Applications & Data Services	\$123,090.00	Paid	
DC Office of Finance and Resource Mgmt	12/9/2021	AT&T charges	\$1,932.60	Paid	
DC Office of Contracting & Procurement	3/22/2022	Procurement Support	\$108,575.51	Paid	
DC Office of Finance and Resource Mgmt	3/31/2022	AT&T charges	\$1,743.68	Paid	
DC Department of Human Resources	5/24/2022	HR Services	\$56,220.00	Paid	
District of Columbia Agencies - DCNET	6/2/2021	OCTO-DCNET Voice Srvs Maintenance	\$100,503.48	Paid	
DC Office of Finance and Resource Mgmt	7/13/2022	AT&T charges	\$1,363.50	Paid	
DC Office of Finance and Resource Mgmt	9/30/2022	AT&T charges	\$2,822.00	Paid	
<b>FY 2023 (as of January 31,</b>					
Agency	Date	Reason	Amount	Paid/Received	
DC Office of the Chief Technology Officer	12/20/2022	IT Applications & Data Services	\$240,760.00	Paid	

12. Please list, in chronological order, every reprogramming of funds into or out of the agency for fiscal years 2021, 2022, and 2023 (as of January 31). Include a “bottom line” that explains the revised final budget for your agency. For each reprogramming, list the reprogramming number (if submitted to the Council for approval), the date, the amount, and the rationale.

**DCRB did not have reprogramming of funds into or out of the agency for fiscal years 2021, 2022 or 2023.**

13. Please list, in chronological order, every reprogramming within your agency during fiscal year 2023 to date. Also, include both known and anticipated intraagency reprogrammings. For each, give the date, amount, and rationale.

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**There has been no reprogramming within DCRB in FY2023 to date.**

14. For fiscal years 2022 and 2023 (as of January 31), please identify each special purpose revenue fund maintained by, used by, or available for use by your agency. For each fund identified, provide: (1) the revenue source name and code; (2) the source of funding; (3) a description of the programs that generates the funds; (4) the amount of funds generated annually by each source or program; and (5) expenditures of funds, including the purpose of each expenditure. For (4) and (5) give starting and ending balances. You may wish to present this information first as a list (for numbers 1-5) and then as separate tables for numbers 4 and 5.

**In fiscal years 2022 and 2023, DCRB did not maintain any special purpose revenue funds.**

15. Please provide a table showing your agency’s Council-approved original budget, revised budget (after reprogrammings, etc.) for fiscal years 2021, 2022, and the first quarter of 2023. In addition, please explain the variances between fiscal year appropriations and actual expenditures for fiscal years 2020 and 2022.

Dept/Program Activity	Budget	Revised Budget	Actual Expenditures	Variance	Budget	Revised Budget	Actual Expenditures	Variance	Actual Expenditures (thru Dec. 31, 2022)					
									Budget	Budget	Expenditures	Variance	Budget	Expenditures
									FY 2021	FY 2021	FY 2021	FY 2021	FY 2022	FY 2022
3001	EXECUTIVE	1,761	1,287	580	707	1,906	2,376	2,035	341	2,935,618	649,610			
3002	INVESTMENTS	17,066	25,124	27,877	(2,753)	20,313	20,774	21,982	(1,208)	4,600,117	404,157			
3003	TRUSTEES	1,037	994	375	619	1,134	1,384	973	411	1,129,500	167,449			
3004	LEGAL & COMPLIANCE	2,172	2,276	2,122	154	3,102	2,849	1,724	1,125	3,038,082	248,643			
3005	BENEFITS	4,492	3,712	3,210	502	4,435	4,571	3,309	1,262	7,977,468	777,695			
3006	OPERATIONS / FINANCE	4,653	5,042	4,392	650	5,411	5,972	3,305	2,667	8,689,583	1,114,049			
3007	INFORMATION TECHNOLOGY	12,918	5,664	4,634	1,030	12,602	10,977	4,929	6,048	14,408,584	663,532			
<b>TOTAL</b>		<b>44,099</b>	<b>44,099</b>	<b>43,190</b>	<b>909</b>	<b>48,903</b>	<b>48,903</b>	<b>38,257</b>	<b>10,646</b>	<b>42,778,952</b>	<b>4,025,135</b>			

**FY2021: Information Technology (IT) budgeted \$5.5M for PIMS project that was delayed. These funds were reallocated to Investments to cover the cost of the increased investment fees. There was a decrease in travel, supplies, etc. due to ongoing COVID19 pandemic.**

**FY2022: Information Technology (IT) budgeted \$5.2M for PIMS project that was delayed due to change in IT consultant contract. DCRB had a surplus in PS of \$2.6M due to vacancies and reduction in salaries for new hires. Ops/Finance had a decrease of \$800k in professional service fees due to projects that were initiated at year-end and will be continued in FY23. There was a decrease in travel, supplies, training, etc. due to ongoing COVID19 pandemic.**

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16. Please list all memoranda of understanding (MOU) either entered into by your agency or in effect during fiscal years 2022 and 2023 (as of January 31). For each, describe its purpose, indicate the date entered, and provide the actual or anticipated termination date.

<b>FY2022</b>				
<b>Agency</b>	<b>Purpose</b>	<b>Start Date</b>	<b>End Date</b>	
OCTO DC-NET	Wide Area Network (WAN), phone and call center solutions including VPN access, voice, desktop and web conferencing services	10/1/2021	9/30/2022	
U.S. Dept. of Treasury, Office of DC Pensions (ODCP)	Payment of administrative expenses related to administration of Federal and District benefit payments	10/1/2021	9/30/2022	
U.S. Department of the Treasury, Office of D.C. Pensions (ODCP)	Interconnection and enabling access to systems between ODCP and DCRB	1/14/2020	1/13/2023	
OCTO	IT Applications & Data Services	10/1/2021	9/30/2022	
OCA	Goods, services and space provided centrally by the District through central offices (DGS, DPW, OFRM and OCTO)	10/1/2021	9/30/2022	
OCTO	Infrastructure Migration	10/1/2021	9/30/2022	
OCP	Onsite support for procurement matters	10/1/2021	9/30/2022	
DCHR	Staffing support across a range of HR areas (recruiting, retirement, training and benefits)	10/1/2021	9/30/2022	
<b>FY2023 (as of January 31)</b>				
<b>Agency</b>	<b>Purpose</b>	<b>Start Date</b>	<b>End Date</b>	
OCTO	IT Applications & Data Services	10/1/2022	9/30/2023	
U.S. Department of the Treasury, Office of D.C. Pensions (ODCP)	Interconnection and enabling access to systems between ODCP and DCRB	1/14/2020	1/13/2023	
U.S. Dept. of Treasury, Office of DC Pensions (ODCP)	Payment of administrative expenses related to administration of Federal and District benefit payments	10/1/2022	9/30/2023	

17. D.C. Law requires the Mayor and the Chief Financial Officer to submit to the Council, simultaneously with a proposed budget submission, actual copies of all agency budget enhancements requests, such as the “Form B” for all District agencies (See D.C. Code § 47-318.05a). In order to help the Committee understand agency needs, and the cost of those needs for your agency, please provide, as an attachment to your answers, all budget enhancement requests submitted by your agency to the Mayor or Chief Financial Officer as part of the budget process for fiscal years 2021, 2022, and 2023.

**DCRB did not submit budget enhancements for any fiscal year.**



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18. Please list all currently open capital projects for your agency (as of January 31st) including those projects that are managed or overseen by another agency or entity. Include a brief description of each, the total estimated cost, expenditures to date, the start and completion dates, and the current status of the project. Also, indicate which projects are experiencing delays and which require additional funding.

**DCRB has no capital projects.**

19. Please list all pending lawsuits that name your agency (including the Board) as a party, for that your agency (or the Board) is defending. Please identify which cases on the list are lawsuits that potentially expose the city to significant liability in terms of money and/or change in practices. The Committee is not asking for your judgment as to the city's liability; rather, we are asking about the extent of the claim. For those claims identified, please include an explanation about the issues for each case.

**There are two civil actions pending against the District of Columbia Retirement Board, none of which expose the city to significant liability in terms of money and/or change in practices:**

**Gerry Scott vs. District of Columbia Retirement Board, Case No. 2021 CA 004206B (D.C. Super. Ct., 12/06/21). This benefits lawsuit poses no potential significant liability to the city in terms of money or change in practices. A retired police officer sued DCRB over his retirement annuity calculation. DCRB has reviewed its calculation in plaintiff's favor.**

**Erie Sampson vs. District of Columbia Retirement Board and Joseph Clark, Trustee, Case No. 2021 CA 004942B (D.C. Super. Ct., 12/30/21), 22-CV-0385 (D.C. Ct. App. 5/26/22). This civil lawsuit poses no potential significant liability to the city in terms of money or change in practices. This action involves a current employee's whistleblower and negligence claims against the defendants. DCRB's motion to dismiss the complaint was granted. Plaintiff has appealed dismissal of her whistleblower claim only.**

20. (a) Please list and describe any investigations, studies, audits, or reports on your agency or any employee of your agency that were completed at any time in fiscal years 2022 or 2023 (as of January 31).

<b>Name</b>	<b>Purpose</b>	<b>Completed</b>
<b>Actuarial Valuations as of October 1, 2021 for Fiscal Year 2023 Employer Contributions</b>	<b>To fulfill the requirements of D.C. Code § 1-907.02(a) and (c), 1-907.03(a) and 1.907.04.</b>	<b>12/2021</b>
<b>Actuarial Valuations as of October 1, 2022 for Fiscal Year 2024 Employer Contributions</b>	<b>Same as above.</b>	<b>12/2022</b>

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<b>Audited Financial Statements for Fiscal Year 2021</b>	<b>To express an opinion on the FY 2021 financial statements and to obtain reasonable assurance on whether the financial statements are free of material misstatements.</b>	<b>12/2021</b>
<b>Audited Financial Statements for Fiscal Year 2022</b>	<b>To express an opinion on the FY 2022 financial statements and to obtain reasonable assurance on whether the financial statements are free of material misstatements.</b>	<b>12/2022</b>
<b>5-Year Actuarial Experience and Assumptions Study</b>	<b>To fulfill the requirement of D.C. Code § 1-701(b)(3) and ensure appropriate long-term funding.</b>	<b>10/2021</b>

(b) Please list and describe any ongoing investigations, audits, or reports of your agency or any employee of your agency.

<b>Office of the Inspector General Inspections and Evaluations (I&amp;E) Unit</b>	<b>To follow up on its evaluation of DCRB’s procurement processes to assess: 1) the status of open recommendations; 2) whether corrective actions remedied key conditions identified in prior OID I&amp;E reports; and 3) whether agencies realized monetary benefits.</b>	<b>In Progress</b>
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(c) Last year DCRB failed to report federal FBI or grand jury subpoenas when answering this question. Why?

**A federal FBI or grand jury subpoena does not fall under the category of “investigations, studies, audits, or reports;” any grand jury subpoenas duces tecum served on DCRB were as the custodian of records; the U.S. Attorney’s Office instructed DCRB not to disclose the existence of the subpoenas; and DCRB understands from the Department of Justice that neither the Board nor any employee is a target of such investigation.**

21. How many grievances have been filed by employees or labor unions against agency management? Please list each of them by year for fiscal years 2021, 2022, and 2023 (as of

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January 31). Give a brief description of each grievance, and the outcome as of January 31, 2023. Include on the chronological list any earlier grievance that is still pending in any judicial forum.

**In fiscal years 2020, 2021, and 2023, no grievances were filed against agency management. In fiscal year 2022, a grievance was filed by an employee challenging her enforced paid administrative leave and eventual removal for misconduct. Currently, removal of the employee has been adjudicated and upheld by the OEA. This OEA decision remains subject to appeal.**

22. (a) Please describe the agency's procedures for investigating allegations of sexual harassment committed by or against its employees.

**Employees are to report allegations of sexual harassment to a supervisor, DCRB/HR, or DCRB's EEO Officer. Employees also have the right to report allegations of sexual harassment directly to the DC Office of Human Rights. Upon receiving an allegation, DCRB/HR (or the EEO Officer) will listen confidentially to the facts of the allegation. If warranted, confidential interviews may be conducted with the involved parties, with findings presented to senior management, to achieve an appropriate resolution and agency response.**

- (b) If different, please describe the agency's procedures for investigating allegations of misconduct.

**Allegations of misconduct are directed to DCRB/HR. Upon receiving an allegation, DCRB/HR (or appropriate parties) will listen confidentially to the facts of the allegation. If warranted, confidential interviews may be conducted with the involved parties, with findings presented to senior management, to achieve an appropriate resolution and agency response.**

- (c) List chronologically and describe each allegation of sexual harassment and misconduct received by the agency in FY 2022 and FY 2023 (as of January 31) and the resolution of each as of the date of your answer.

**DCRB received no allegations of sexual harassment or misconduct in FY 2022 or FY 2023.**

23. In table format, please list the following for fiscal years 2022 and 2023 (as of January 31, 2023) regarding the agency's use of SmartPay (credit) cards for agency purchases: (1) individuals (by name and title/position) authorized to use the cards; (2) purchase limits (per person, per day, etc.); and (3) total spent (by person and for the agency).

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<u>Employee/Title</u>	<u>Fiscal Year Expense</u>	
	<u>2022</u>	<u>2023 (thru January 31)</u>
<b>Procurement Card</b>		
Nina Bridgers/Administrative Specialist	6,760	3,615
Wukyanos Gebremeskel/IT Specialist	15,142	2,795
Johniece Harris/Ex. Administrator/Board Liaison	22,614	723
Denice McSears/Operations Administrator	42,077	9,443
Bonnie Rivers/Financial Specialist	<u>11,325</u>	<u>1,986</u>
<b>Procurement Card Total</b>	<b><u>\$ 97,918</u></b>	<b><u>\$ 18,562</u></b>
<b>Travel Card</b>		
Nina Bridgers/Administrative Specialist	11,202	6,483
Johniece Harris/Ex. Administrator/Board Liaison	4,657	2,602
Bonnie Rivers/Financial Assistant	<u>1,346</u>	<u>-</u>
<b>Travel Card Total</b>	<b><u>\$ 17,206</u></b>	<b><u>\$ 9,085</u></b>
<b>Grand Total</b>	<b><u><u>\$ 115,124</u></u></b>	<b><u><u>\$ 27,647</u></u></b>

**DCRB's daily aggregate purchasing limit is \$5,000.**

24. Please provide a list of all procurements for goods or services for use by your agency over \$25,000 for fiscal years 2022 and 2023 (as of January 31). Give a brief explanation of each, including the name of the contractor, purpose of the contract, and the total dollar amount of the contract. Exclude from this answer purchase card (SmartPay) purchases.

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**FY2022**

<b>Vendor Name</b>	<b>Description</b>	<b>Contract \$ Amount</b>
Advent Software Inc.	Software licenses, Maintenance & Support	71,838
Bolton Partners, Inc.	Actuarial Services	176,000
BPS Ventures II, LLC	IT Equipment Maintenance/Repairs	28,675
Capitol Document Solutions, LLC	Photocopier supplies, office supplies & services	37,658
Convergence, Inc.	Investments Compliance Consultant	40,000
Colmore, Inc	Investment Fee Validation	119,600
Crowe, LLP	Accounting Services	137,233
Dell Marketing LP	IT computer purchase	97,676
Election-America, Inc.	Board Elections	30,851
Frederick Funston dba Funston Advisory Services LLC	DCRB Fiduciary Audit	294,664
Groom Law Group, Chartered	Legal Professional Services	376,579
Jones Day	Legal Professional Services	1,110,209
Meketa Investment Group	Investment Consulting Services	713,000
Metropolitan Life Insurance Company	STD/LTD insurance agreement	36,664
Midtown Personnel, Inc. dba The Midtown Group	Temporary Staffing Services	60,758
Morgan, Lewis & Bockius, LLP	Legal Professional Services	334,779
Polihire Strategy Corp	Executive Recruitment Services	100,000
Riggs, Counselman, Michaels & Downes, Inc. dba RCM&D, Inc.	Insurance Bonds	384,375
RSM US LLP	IT Software Maintenance	26,245
Techflairs, Inc.	Temporary Staffing Services	46,047
The Seaprompt Corporation	IT Software Maintenance	68,049
Washington Metro Area Transit Authority	Local transit for employee benefits	136,000
WatsonRice LLP (formerly BCA Watson Rice LLP)	Financial Audit Services	100,892

**FY2023 (thru January 31, 2023)**

<b>Vendor Name</b>	<b>Description</b>	<b>Contract \$ Amount</b>
Bolton Partners, Inc.	Actuarial Services	154,000
CEM Benchmarking Inc.	Investment Consulting Services	40,000
Colmore, Inc.	Investment Fee Validation	182,000
Crowe LLP	Accounting Services	111,359
Diligent Corporation	Software licenses, Maintenance & Support	39,401
Election-America, Inc.	Board Elections	31,150
Frederick Funston dba Funston Advisory Services LLC	DCRB Fiduciary Audit	147,336
Groom Law Group, Chartered	Professional Legal Services	500,000
Jones Day	Professional Legal Services	399,935
Meketa Investment Group	Investment Consulting Services	828,000
Midtown Personnel, Inc.	Temporary Staffing Services	100,000
Morgan, Lewis & Bockius, LLP	Legal Professional Services	730,000
Networking for Future, Inc. dba NFF, Inc.	IT Software Maintenance	25,130
RSM US, LLP	IT Software Maintenance	88,000
Washington Metro Area Transit Authority	Local transit for employee benefits	112,000
WatsonRice LLP (formerly BCA Watson Rice LLP)	Financial Audit Services	61,837
vTech Solutions, Inc.	Temporary Staffing Services	91,295

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25. (a) Please describe how your agency manages and limits its mobile, voice, and data costs, including cellular phones and mobile devices.

**DCRB manages its data costs of issued iPhones, iPads and laptops by engaging in enterprise contracts with two carriers that offer data plans with discounted government pricing negotiated by the district. DCRB also leverages the OCTO data plan offered by the carrier with discounted government pricing for issued cellular phones.**

- (b) In table format (if the answer is more than 20 lines as an attachment), please provide the following information for fiscal years 2022 and 2023 (as of January 31), regarding your agency's use of cellular phones and mobile devices: (1) individuals (by name and title/position) authorized to carry and use such devices; (2) total annual expense (FY) for each individual's use; and (3) justification for such use (per person). If the list is more than 20 individuals, group the answer by program, giving the total number of FTEs for that program as well as the number of cellular phones and mobile devices.

Department	FY 2022 (As of 9/30/2022)			FY 2023 (as of 01/31/2023)			
	# of Filled FTEs	# of Mobile Devices	\$ Amount	# of Filled FTEs	# of Mobile Devices	\$ Amount	Justification
Trustees	0	12	5,911	0	11	1,776	Board communication
Benefits	31	1	495	30	1	165	Improve productivity
Executive	6	4	2,715	9	4	970	
Finance	10	4	3,004	7	5	997	
HR	2	2	1,175	2	2	442	
Investment	6	2	1,452	6	1	277	
IT	7	6	3,698	7	8	2,036	
Legal	1	1	703	3	2	139	

26. (a) Does your agency have or use one or more government vehicle? If so, for fiscal years 2022 and 2023 (as of January 31), please list any vehicle the agency owns, leases, or has assigned to it. You may group the vehicles by category (e.g., 15 sedans, 33 pick-up trucks, three transport buses, etc.); and (6) what employee discipline resulted, if any.

**None.**

- (b) Please list all vehicle accidents involving your agency's vehicles for fiscal years 2020, 2022, and 2023 (as of January 31). Provide: (1) a brief description of each accident; (2) the type of vehicle involved; (3) the name and title/position of the driver involved; (4) the justification for using such vehicle; and (5) whether there was a finding of fault and, if so, who was determined to be at fault.

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**None.**

27. Please list every lawsuit against the agency that was settled or decided by a trial court in FY 2022 and FY 2023 to date. Briefly describe each and the sanction, if any.

**In FYs 2022 and 2023 to date, DCRB did not have any lawsuit settled or decided by a trial court.**

28. D.C. Law requires the Mayor to pay certain settlements and judgements from agency operating budgets if the settlement is less than \$10,000 or results from an incident within the last two years (see D.C. Code § 2-402(a)(3)). Please itemize each charge-back to your agency in fiscal year 2020, 2022, 2023 (as of January 31) for a settlement or judgment pursuant to D.C. Code § 2-402.

**None.**

29. (a) D.C. Law prohibits chauffeurs, take-home vehicles, and the use of SUVs (see D.C. Code §§ 50-203 and 50-204). Is your agency in compliance with this law?

**Yes, DCRB is compliant with D.C. Code §§ 50-203 and 50-204.**

(b) Please explain all exceptions, if any, and provide the following: (1) type of vehicle (make, model, year); (2) individuals (name/position) authorized to use the vehicle; (3) jurisdictional residence of the individual (e.g., Bowie, MD); and (4) justification for the chauffer or take-home status.

**DCRB does not own, lease, nor does DCRB have any assigned vehicles.**

30. In table format, please provide the following information for fiscal years 2022 and 2023 (as of January 31) regarding your agency's authorization of employee travel: (1) each trip outside the region on official business or agency expense; (2) individuals (by name and title/position) who traveled outside the region; (3) total expense for each trip (per person, per trip, etc.); (4) what agency or entity paid for the trips; and (5) justification for the travel (per person and trip).

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<b>FY2022</b>				
<b>Employee Name</b>	<b>Title</b>	<b>\$ Amount</b>	<b>Agency</b>	<b>Justification</b>
Deepak Tolani	Sr. Investment Strategist	\$3,358	DCRB	ILPA ODD Meeting
Deepak Tolani	Sr. Investment Strategist	\$1,016	DCRB	Operational Due Diligence (ODD) w/Paine Schwartz
Jamia Canlas	Sr. Investment Strategist	\$1,782	DCRB	Pantheon Annual Investor Meeting 2022
Jamia Canlas	Sr. Investment Strategist	\$1,019	DCRB	ILPA – Real Assets for the Limited Partner
Jamia Canlas	Sr. Investment Strategist	\$1,162	DCRB	Bernhard Capital Partners Annual Meeting
Jamia Canlas	Sr. Investment Strategist	\$690	DCRB	Resource Capital Funds Annual General Meeting
Morgan Dentz	Investment Analyst	\$771	DCRB	Summit Partners 2022 Annual Meeting
Morgan Dentz	Investment Analyst	\$1,907	DCRB	Pantheon Annual Investor Meeting 2022
Morgan Dentz	Investment Analyst	\$1,131	DCRB	Bernhard Capital Partners Annual Meeting
Morgan Dentz	Investment Analyst	\$378	DCRB	Grain Management 2022 Annual Investor Meeting
Leslie King	Senior Counsel	\$2,419	DCRB	IFEBP (Collection Procedures Institute)
Lori Morgan	Director of Finance	\$3,301	DCRB	2022 GFOA Annual Conference
Patrick Sahn	Chief Investment Officer	\$881	DCRB	Summit Partners 2022 Annual Meeting
Patrick Sahn	Chief Investment Officer	\$257	DCRB	ILPA – Real Assets for the Limited Partner
Patrick Sahn	Chief Investment Officer	\$312	DCRB	Rockwood 2022 Annual Investor Conference
Patrick Sahn	Chief Investment Officer	\$345	DCRB	Grain Management 2022 Annual Investor Meeting
<b>FY2023 (as of January 31, 2023)</b>				
<b>Employee Name</b>	<b>Title</b>	<b>\$ Amount</b>	<b>Agency</b>	<b>Justification</b>
Bolor Oyundelger	Investment Analyst	\$694	DCRB	Clearhaven Partners 2022 Annual LP Meeting
Deepak Tolani	Sr. Investment Strategist	\$499	DCRB	ILPA LCON 2022
Deepak Tolani	Sr. Investment Strategist	\$959	DCRB	IFM Global Infrastructure Fund
Deepak Tolani	Sr. Investment Strategist	\$845	DCRB	Clearhaven Partners 2022 Annual LP Meeting
Jamia Canlas	Sr. Investment Strategist	\$499	DCRB	ILPA LCON 2022
Jamia Canlas	Sr. Investment Strategist	\$642	DCRB	One Rock Due Diligence Meeting
Morgan Dentz	Investment Analyst	\$1,958	DCRB	EnCap, Ara, and LimeRock Annual Meetings
Patrick Sahn	Chief Investment Officer	\$2,132	DCRB	EnCap, Ara, and LimeRock Annual Meetings
Patrick Sahn	Chief Investment Officer	\$549	DCRB	One Rock Due Diligence Meeting



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31. Please provide and itemize, as of January 31, 2023, the current number of When Actually Employed (WAE), term, and contract personnel within your agency. If your agency employs WAE or term personnel, please provide, in table format, the name of each employee, position title, the length of his or her term or contract, the date on which he or she first started with your agency, and the date on which his or her current term expires.

Name	Status	Position/Title	Length of Term	Start Date	Term Expiration
<i>Joan Passerino</i>	WAE/Term Employee	Sr. Communications Strategist	4.5 months	12/10/2022	4/30/2023
<i>Betty Ann Kane</i>	WAE/Term Employee	Advisor, Operations & Special Projects	5.5 months	12/17/2022	5/31/2023

32. What efforts has your agency made in the past year to increase transparency? Explain.

**We have brought on a Director of Internal Audit and Compliance who is hands-on and leads and works objectively with the support of independent consultants/advisors to assist us in a robust review of our operations across DCRB. Specifically, these audit exercises identify organizational areas of strength and weakness in the implementation, administration, and fiduciary oversight of the Agency’s retirement program; compare DCRB third-party administration and other support operations, including investments and Board fiduciary oversight functions, with applicable Federal and District laws, rules, and regulations, industry best practices, and the best practices of other similarly situated governmental 401(a) defined benefit plans; and ultimately provide detailed and actionable recommendations to cure or improve any identified deficiencies in updating our processes and governance policies.**

**In the summer of 2022, DCRB awarded and hired the Investment Fees Verification consulting project ahead of time. At the DC Council performance hearing in February 2022, we promised Chairman Mendelson that we would issue an RFP award by our September 2022 board meeting to remediate the remaining condition from the FY 2021 audit, Finding #2021-01, related to the recalculation of fees to ensure compliance with DCRB’s respective investment management agreements. To date, DCRB has actively engaged its consultant, Colmore to work with investment managers. Colmore has collected information from both existing and liquidated investment managers, including without limitation: financial statements and historical cash flows; limited partnership agreements, side letters and amendments for review by Colmore’s legal team; as well as staff and investment manager follow up meetings being conducted on a weekly basis with Colmore to respond to follow-up questions. This process will ensure transparency by ultimately verifying that DCRB’s investment management fees and expenses have been paid in accordance with the investment management agreements’ provisions and in line with benchmark industry standards.**

**Building and maintaining trust has been imperative to our effectiveness. Our goals to improve stakeholder trust are focused on defining and achieving a meaningful balance between flexibility and consistency in our processing as well as our communications. We have specific initiatives in place to increase transparency with members and other**

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stakeholders. We will continue to better leverage our website to share timely updates regarding expected and unexpected activities that may be of interest to our stakeholders throughout the year. We are continuously evaluating our regular processes, and our operational projects to ensure that they are efficient, communicated clearly and consistently compliant with the rules and regulations. For example, we are evaluating the various forms we receive, their sources, and their purpose to support productive and clear discussions with our agency partners. This will support a common understanding of the process and timing to establish clear expectations. We also are identifying opportunities to streamline and improve operational projects such as earned income reviews and annuity verifications to smooth the process for members and staff. In addition, we continue to work closely with our stakeholders as DCRB implements its strategic planning initiatives. We continue to collaborate with DCPS, DCHR, FEMS and MPD on individual participant issues as risk populations are identified, and to support orientation and retirement workshops for their employees.

Moreover, we have met and continue to frequently meet with stakeholders inside and outside DCRB to discuss improvements in the transition of the active employment to retirement, and to promote collaboration amongst all the agencies involved in the retirement process. The collaboration with our District partners to increase the quality of data used to calculate benefits will contribute to additional member specific initiatives and faster processing times, wherever possible. We have commenced specific feasibility exercises and actionable initiatives to secure all active member data in one source system in the near and long-term, build end-to-end retirement process maps and better define roles, responsibilities, and lines of authority for all agencies involved in the retirement administration process.

33. What efforts will your agency be making to increase transparency? Explain.

We will continue improve member awareness and understanding of plan benefits to assist in the retirement and post-retirement processes. Last year was our third year of mailing active participants with estimated benefit statements, and this year we are working with OCTO to place them in the members' active PeopleSoft records for employee self-service digital retrieval and archival.

DCRB continues to engage with agencies to communicate retirement planning information to active members and potential retirees. We will continue to participate in onboarding and pre-retirement workshops with our partner agencies MPD, FEMS, and DCPS.

In cooperation with the U.S. Treasury, DCRB plans on expanding on last year's successful annuitant self-service launch by offering additional features. Currently, annuitants and survivors) can view certain documents online through a secure portal (e.g., monthly earnings statements, health and life insurance information, direct deposit, tax withholdings, etc.) and manage some of their personal data independently but

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**planned future functionality will include online healthcare open enrollment and retrieval of yearly tax documents.**

**Finally, to further increase our member’s ability to report certain life events to DCRB, in FY22 we updated our website (with the assistance of our IT department and OCTO) to launch online secure forms and communications through our Member Services Center. This included the ability to submit member inquires with attachments, healthcare enrollment forms, deferred retirement applications, reporting of a member death, and other widely used DCRB forms.**

34. Please identify any legislative requirements that your agency lacks sufficient resources to properly implement. Explain.

**None.**

35. Please identify any statutory or regulatory impediments to your agency’s operations.

**None.**

36. Please provide, for each fiscal year 2021 2022, and 2023 (as of January 31), Board member stipend payments for each member. What is the current cap? Is the cap calculated on a fiscal year or calendar year basis?

<b>Trustee Name</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY2023 (thru Jan 31)</b>
Joseph Clark	14,984	14,845	3,643
Lyle Blanchard	14,984	11,267	3,524
Joseph Bress	12,689	10,849	-
Mary Collins	13,995	14,998	3,802
Christopher Finelli	-	7,651	-
Gary Hankins	3,732	-	-
Tracy Harris	13,808	14,921	-
Adam Weers	-	14,921	-
Greggory Pemberton	12,166	14,921	4,277
Nathan Saunders	14,984	14,998	-
Geoffrey P. Grambo	8,285	8,641	2,059
Danny Clarke Gregg	9,498	14,427	4,910
<b>Total</b>	<b>\$ 119,125</b>	<b>\$ 142,439</b>	<b>\$ 22,216</b>

**The current cap for board members is \$15,000 and the current cap for the Chairman is \$25,000. The cap is calculated on a fiscal year basis.**

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37. Did your agency receive any FOIA requests in fiscal year 2022? If yes, did the agency file a report of FOIA disclosure activities with the Secretary of the District of Columbia? If available, please provide a copy of that report as an attachment. Also state here the total cost incurred by your agency for each fiscal year 2021, 2022, and 2023 (as of January 31) related to FOIA.

**Yes, the DCRB received 20 FOIA requests in FY 2022, and it filed an Annual FOIA Report for FY 2022 (see Attachment #3). DCRB does not track the costs incurred in responding to FOIA requests, but it estimates that staff has devoted approximately 120 hours of time between FY 2020, 2021, and 2022 (an average of 40 hours per year) responding to FOIA requests.**

38. For CBE agency compliance purposes, what is your agency’s current adjusted expendable budget; how much has been spent with SBEs; and what percent of your agency’s expendable budget was spent with SBEs? Further, where SBEs were not available, how much has been spent with CBEs, and what percent of CBE spending, relative to your current expendable budget? How many CBE waivers (including dollar amount) did the agency submit? What efforts has the agency taken to reduce the number of CBE waivers submitted? What is the CBE spending goal for your agency per the DSLDB SBE Opportunities Guide (Green book)? Give this answer for fiscal years 2021 2022 and 2023 (as of January 31).

Fiscal Year	Adjusted Expendable Budget	Annual CBE Spend	% of CBE Spending relative to Adjusted Expendable Budget	What is the CBE spending goal for your agency per the DSLDB SBE Opportunities Guide (Green book)?	How many CBE Waivers (including dollar amount) did the agency submit?	What efforts has the agency taken to reduce the number of CBE waivers submitted?
FY 2021	\$ 2,644,900	\$ 241,663	9.1%	\$ 1,322,450	0	N/A
FY 2022	\$ 2,644,900	\$ 139,566	5.3%	\$ 2,494,550	0	N/A
FY 2023 (as of January 31, 2023)	\$ 5,679,375	\$ 28,027	0.5%	\$ 5,679,375	0	N/A

39. Please provide, as an attachment, a copy of your agency’s current annual performance plan as submitted to the Office of the City Administrator.

**DCRB, as an independent agency, does not submit an annual performance plan to the Office of the City Administrator.**

40. (a) What are your agency’s key performance indicators and what has been your agency’s performance (for each of these KPIs) in fiscal year (or calendar year) 2021, 2022, and 2023 (through the first quarter).

**DCRB, as an independent agency, does not submit an annual performance plan to the Office of the City Administrator.**

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(b) What KPIs have been dropped (or changed) since 2020? List each specifically and explain why it was dropped or changed.

**DCRB, as an independent agency, does not submit an annual performance plan to the Office of the City Administrator.**

41. (a) Each year DCRB undergoes an independent compensation financial audit. For each fiscal year 2020 to the present, list verbatim each of the material weaknesses or significant deficiencies found by the auditor.

**2020**

**Finding No. 2020-01: Prior Year Finding (Modified Significant Deficiency)**

**Condition:** Management did not implement the fiscal year 2019 findings issued by the prior auditor. These findings when taken together were considered to a significant deficiency in internal control over financial reporting. The matters noted in the prior year finding include:

- Management did not incorporate audit adjustments for fiscal year 2018 in the general ledger. The initial trial balance included balances that were not properly reconciled with the fiscal year 2018 audited financial statements. Although, we were able to reconcile opening balances to prior year audited financial statements without any material differences, the potential exists for errors within individual Funds that remain embedded in the Funds' net asset balances that originated in the past years.
- Management does not have a formal written, financial reporting process manual in place that documents process for recording general ledger transactions or captures accounting policies used by Funds. It was also noted that DCRB does not have a capitalization policy to set a threshold, above which qualifying expenditures are recorded as fixed assets, nor is the policy set by the District of Columbia being followed consistently. We found there were no significant capital expenditures charged for the current fiscal year.
- At present, investment managers' fees are paid as invoiced and not recalculated to ensure that they comply with the terms of the respective investment management agreements

**Finding No. 2020-02: Untimely Preparation of Auditable Financial Statements (Significant Deficiency)**

**Condition:** The accounting department was unable to provide a proper trial balance to commence the fiscal year 2020 audit. The first draft trial balance provided for audit was significantly incomplete. It took several weeks and significant effort of management to provide a final trial balance. Also, management failed to produce timely financial statements, the accounting department did not have a Chief Financial

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Officer for approximately half of the fiscal year, and the posting of various transactions to the ledger was untimely.

**Finding No. 2020-03: Improper Valuation of Limited Partnership Investments (Significant Deficiency)**

**Condition:** DCRB investment portfolio includes limited partnership investment held by private managers of over \$900 million. We performed a reconciliation of the amounts confirmed by the fund managers, with the custodian and the amounts reported by DCRB. We noted that the valuation of limited partnership investments did not reflect the valuations as confirmed by the various investment managers. These investments were carried in the financial statements at the June 30, 2020 values adjusted for cash flows. We requested that management assess the difference for the entire population. Consequently, an adjustment of approximately \$67 million was made to increase the market value of these investments and the related investment income.

**2021**

**Finding No. 2021-01: Prior Year Finding (Significant Deficiency)**

**Condition:** Management did not implement all elements of the fiscal year 2019 findings issued by the prior auditor during fiscal year 2021. Unresolved matters noted in the prior years include:

- Management did not incorporate audit adjustments for fiscal year 2018 in the general ledger. The initial trial balance included balances that were not properly reconciled with the fiscal year 2018 audited financial statements. Although, we were able to reconcile opening balances to prior year audited financial statements without any material differences, the potential exists for errors within individual Funds that remain embedded in the Funds' net asset balances that originated in the past years.
- Management does not have a formal written, financial reporting process manual in place that documents the process for recording general ledger transactions or captures accounting policies used by Funds.
- Investment managers' fees are paid as invoiced and not recalculated to ensure that they comply with the terms of the respective investment management agreements.

(b) Since the deficiencies and reports, what is being done, definitively, to resolve and eliminate these finds this year?

All findings from FY20 and FY21 have been fully remediated and there were no new findings noted FY22. See the FY22 Compliance Report Under Government Auditing Standards included. (**Attachment #4**)

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**Finding No. 2020-02:** Untimely Preparation of Auditable Financial Statements and  
**Finding No. 2020-03:** Improper Valuation of Limited Partnership Investments from  
FY20 were noted as remediated during the FY21 audit.

**Finding No. 2021-01:** Prior Year Finding was noted as being remediated during the  
FY22 audit.

42. Please provide a copy of any forensic audit report(s) conducted by DCRB since 2021.

**None.**

43. What is the annual salary currently paid to the Executive Director? Please detail any additional compensation such as benefits, deferred compensation, bonus, or administrative allowance.

**The annual salary of DCRB's Executive Director is \$239,918. He receives no additional compensation and participates in the same District benefits program as other eligible District and DCRB employees. Based on his performance, as assessed by the DCRB Board of Trustees, he is eligible for an annual performance bonus (up to 10% of annual pay) following one year of service.**

44. Describe the nature of any current federal investigations involving DCRB.

**The Council is aware that DCRB was subpoenaed by the U.S. Attorney's office in DCRB's capacity as the custodian of records. DCRB understands from the Department of Justice that neither the Board nor any current employee is under investigation, and the U.S. Attorney's Office has asked DCRB not to disclose the existence of any subpoenas.**

45. What are your top five priorities for the agency? Please provide a detailed explanation for how the agency expects to achieve or work toward these priorities in fiscal years 2022 and 2023.

**Improvements to the Benefits Administration Processes**

**We are continuing to improve benefits administration to assure that benefits are paid to our members accurately and timely. For example, this month we met with stakeholders inside and outside DCRB to discuss improvements in the transition of the active employment to retirement, and to promote collaboration amongst all the agencies involved in the retirement process. The collaboration with our District partners to increase the quality of data used to calculate benefits will contribute to additional member specific initiatives and faster processing times wherever possible. Specific initiatives in the next years are to secure all active member data in one source system, build end-to-end retirement process maps and better define roles, responsibilities, and lines of authority for all agencies involved in the retirement administration process.**

**Member Outreach**

**DCRB plans to continue with active communication to plan members and servicing agencies. As we continue to provide active participants with estimated benefit statements, this year we plan to distribute them in the member's self-service module in PeopleSoft. This project is in collaboration with the District's OCTO department.**

DISTRICT OF COLUMBIA RETIREMENT BOARD FEBRUARY 22<sup>ND</sup>, 2023  
PERFORMANCE HEARING QUESTIONS AND RESPONSES

With the hiring and assistance of DCRB's new Communications Director, we plan to will focus on utilizing all relevant communication vehicles to reach our plan members. We are in the process of a DCRB web redesign and review of our published materials so they can be more user friendly and clear on the post retirement events that annuitants should be aware of during their retirement.

**Additional Member Tools**

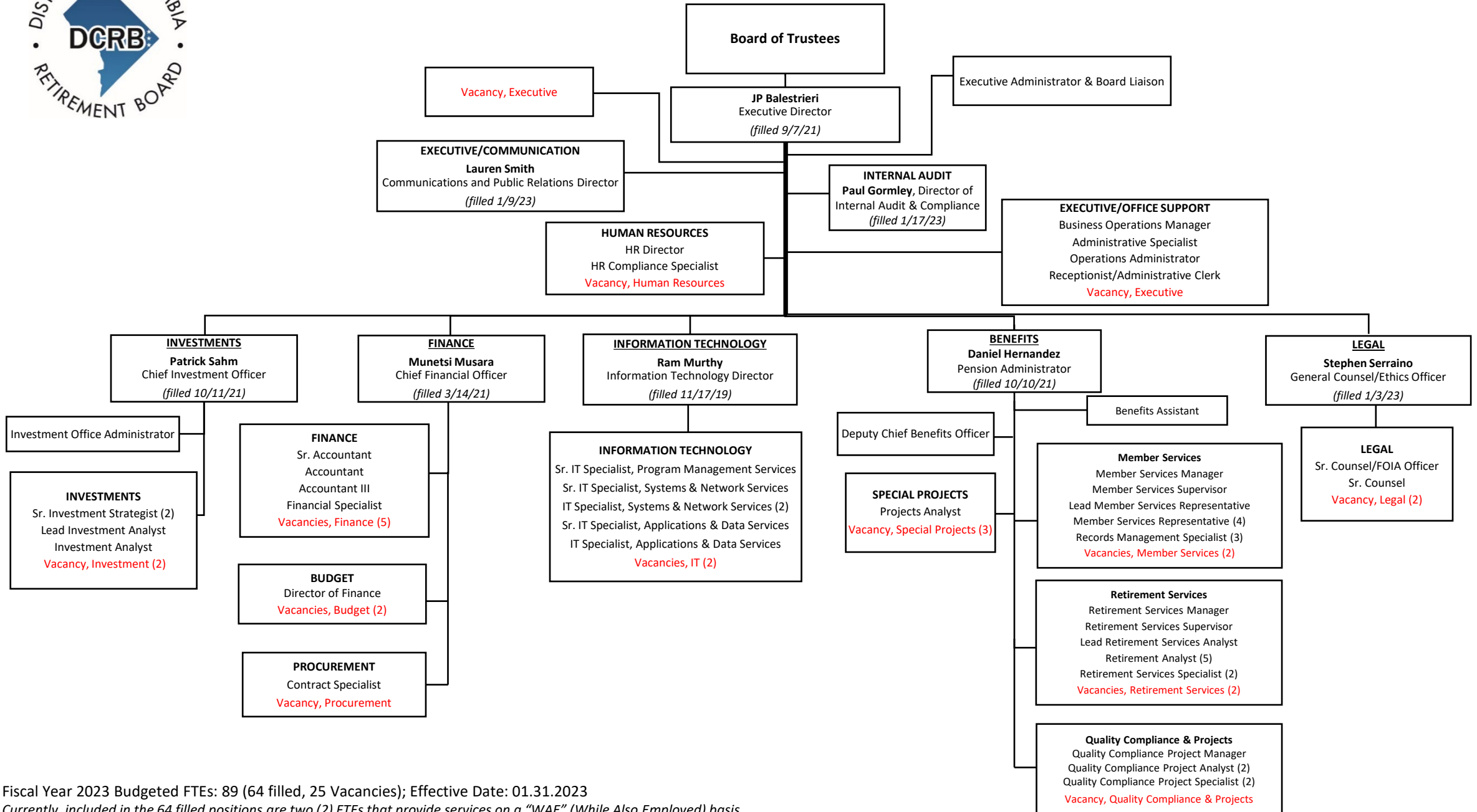
In cooperation with the U.S. Treasury, DCRB will expand on last year's successful annuitant self-service launch. Already, members can now view online certain documents through a secure portal (e.g., monthly earnings statements, health and life insurance information, direct deposit, tax withholdings, etc.) and to manage some of their personal data independently, but in the next couple of years we are working on expanding capacities to allow for health care open enrollment and retrieval of end of the year tax information.

Finally, DCRB met last year's improvement targets by working with our IT department in launching online secure forms and communications through our Member Services Center and online website, including the ability to submit member inquires with attachments, healthcare enrollment forms, deferred retirement applications, reporting of a member death, and other widely used DCRB forms currently only available for download and mailing/faxing into DCRB. We also have worked with our IT department to allow members to schedule online virtual appointments with Benefits Representatives.





# The District of Columbia Retirement Board (DCRB)



**ATTACHMENT #2**  
**DCRB SCHEDULE A (as of January 31, 2023)**

<b>Program</b>	<b>Title</b>	<b>Vacant/ Filled</b>	<b>Salary</b>	<b>Benefits</b>
Executive	Executive Director	F	239,918	63,098
Executive	Business Operations Manager	F	140,313	36,902
Executive	Administrative Specialist	F	72,100	18,962
Executive	Director of Internal Audit	F	220,000	57,860
Executive	Receptionist/Admin Clerk	F	48,000	12,624
Executive	Administrative Assistant II	V	56,928	14,972
Executive	Director of Policy	V	185,577	48,807
Executive	Communications & PR Director	F	185,000	48,655
Executive	Operations Administrator	F	66,950	17,608
Executive	Executive Administrator and Board Liaison	F	92,700	24,380
Executive	*Advisor, Ops & Special Project	F	122,355	32,179
Investments	Sr. Investment Strategist	F	153,470	40,363
Investments	Chief Investment Officer	F	232,000	61,016
Investments	Investment Analyst	V	65,532	17,235
Investments	Sr. Investment Strategist	F	166,860	43,884
Investments	Director, Risk and Investment	V	177,077	46,571
Investments	Lead Investment Analyst	F	103,000	27,089
Investments	Investment Analyst	F	89,610	23,567
Investments	Investment Office Administrator	F	91,670	24,109
Legal & Compliance	General Counsel	F	230,000	60,490
Legal & Compliance	Senior Counsel	V	177,077	46,571
Legal & Compliance	Senior Counsel	F	215,422	56,656
Legal & Compliance	Senior Counsel	F	220,000	57,860
Legal & Compliance	Senior Counsel	V	177,077	46,571
Benefits	Administrative Assistant	F	53,560	14,086
Benefits	Benefits Systems Manager	V	177,077	46,571
Benefits	Lead Member Services Represent	F	71,000	18,673
Benefits	Quality Analyst	V	97,968	25,765
Benefits	Manager, Quality Compliance & Projects	F	134,289	35,318
Benefits	Member Services Manager	F	134,930	35,487
Benefits	Member Services Representative	F	60,000	15,780
Benefits	Member Services Representative	V	49,646	13,057
Benefits	Pension Administrator	F	231,501	60,885
Benefits	IT Specialist	V	130,403	34,296
Benefits	Retirement Analyst	F	81,150	21,342
Benefits	Retirement Specialist	V	65,532	17,235
Benefits	Analyst, Quality Cpl & Proj	F	103,105	27,117
Benefits	Quality, Compliance & Projects	F	106,473	28,002
Benefits	Lead Retirement Analyst	F	104,793	27,561
Benefits	Records Management Specialist	F	66,950	17,608
Benefits	Retirement Specialist	F	72,500	19,068
Benefits	Retirement Analyst	F	78,280	20,588
Benefits	Member Services Representative	F	59,008	15,519
Benefits	Retirement Specialist	F	74,160	19,504
Benefits	Analyst, QC&P	F	108,611	28,565
Benefits	Retirement Services Manager	F	157,988	41,551

**ATTACHMENT #2**  
**DCRB SCHEDULE A (as of January 31, 2023)**

<b>Program</b>	<b>Title</b>	<b>Vacant/ Filled</b>	<b>Salary</b>	<b>Benefits</b>
Benefits	Retirement Analyst	F	78,280	20,588
Benefits	Member Services Representative	F	61,800	16,253
Benefits	Records Management Specialist	F	74,160	19,504
Benefits	Project Analyst	F	61,981	16,301
Benefits	Specialist, Quality Compliance	F	106,473	28,002
Benefits	Retirement Analyst	F	83,585	21,983
Benefits	*Senior Communications Strategist	F	81,299	21,382
Benefits	Senior Retirement Analyst	V	85,391	22,458
Benefits	Pension Risk & Compliance Program	V	112,531	29,596
Benefits	Records Management Specialist	F	66,950	17,608
Benefits	Member Services Representative	F	61,800	16,253
Benefits	Retirement Services Supervisor	F	113,300	29,798
Benefits	Member Services Supervisor	F	106,473	28,002
Benefits	Deputy Chief Benefits Officer	F	164,800	43,342
Benefits	Member Services Representative	V	49,646	13,057
Benefits	Retirement Analyst	F	76,220	20,046
Ops/Finance	Accountant	V	74,800	19,672
Ops/Finance	Senior Accountant	F	140,313	36,902
Ops/Finance	Senior Accountant	V	112,531	29,596
Ops/Finance	Accountant	V	74,800	19,672
Ops/Finance	Senior Budget Analyst	V	74,800	19,672
Ops/Finance	Senior Operations Manager	V	97,968	25,766
Ops/Finance	HR Compliance Specialist	V	112,531	29,596
Ops/Finance	Accountant III	F	123,478	32,475
Ops/Finance	Chief Financial Officer	F	239,918	63,098
Ops/Finance	Sr. Budget Analyst	F	93,267	24,529
Ops/Finance	HR Compliance Specialist	F	128,750	33,861
Ops/Finance	Accountant	F	93,267	24,529
Ops/Finance	Supervisory Contract Specialist	V	130,403	34,296
Ops/Finance	Director of Human Resources	F	193,640	50,927
Ops/Finance	Controller	V	177,077	46,571
Ops/Finance	Senior Budget Analyst	V	112,531	29,596
Ops/Finance	Director of Finance	F	196,730	51,740
Ops/Finance	Contract Specialist	F	123,600	32,507
Information Technology	IT Specialist, Systems & Network	F	129,840	34,148
Information Technology	Senior IT Specialist, Systems	F	139,996	36,819
Information Technology	IT Specialist, Systems & Network	F	98,880	26,005
Information Technology	Director of Information Technology	F	208,711	54,891
Information Technology	Senior IT Specialist, Applications & Data Services	V	130,403	34,296
Information Technology	Senior IT Specialist, Applications & Data Services	F	160,680	42,259
Information Technology	IT Specialist, Applications & Data Services	F	129,355	34,020
Information Technology	Info Systems Security Officer	V	112,531	29,596
Information Technology	Senior IT Specialist, Program Mgmt Services	F	128,750	33,861

*\*Provides services on a "WAE" (While Also Employed) basis*

Agency Name

DC Retirement Board (DCRB)

Annual Freedom of Information Act Report for Fiscal Year 2022

October 1, 2022 through September 30, 2022

FOIA Officer Reporting Leslie King, Senior Counsel

PROCESSING OF FOIA REQUESTS

1. Number of FOIA requests received during reporting period 21
2. Number of FOIA requests pending on October 1, 2021 0
3. Number of FOIA requests pending on September 30, 2022 1
4. The average number of days unfilled requests have been pending before each public body as of September 30, 2022 125

DISPOSITION OF FOIA REQUESTS

5. Number of requests granted, in whole 14
6. Number of requests granted, in part, denied, in part 4
7. Number of requests denied, in whole 1
8. Number of requests withdrawn 1
9. Number of requests referred or forwarded to other public bodies 0
10. Other disposition 0

NUMBER OF REQUESTS THAT RELIED UPON EACH FOIA EXEMPTION

11. Exemption 1 - D.C. Official Code § 2-534(a)(1) 3
12. Exemption 2 - D.C. Official Code § 2-534(a)(2) 2
13. Exemption 3 - D.C. Official Code § 2-534(a)(3)
Subcategory (A) 0
Subcategory (B) 0
Subcategory (C) 0
Subcategory (D) 0
Subcategory (E) 0
Subcategory (F) 0
14. Exemption 4 - D.C. Official Code § 2-534(a)(4) 0
15. Exemption 5 - D.C. Official Code § 2-534(a)(5) 0

16. Exemption 6 - D.C. Official Code § 2-534(a)(6)	
Subcategory (A).....	0
Subcategory (B).....	1
17. Exemption 7 - D.C. Official Code § 2-534(a)(7).....	0
18. Exemption 8 - D.C. Official Code § 2-534(a)(8).....	0
19. Exemption 9 - D.C. Official Code § 2-534(a)(9).....	0
20. Exemption 10 - D.C. Official Code § 2-534(a)(10).....	0
21. Exemption 11 - D.C. Official Code § 2-534(a)(11).....	0
22. Exemption 12 - D.C. Official Code § 2-534(a)(12).....	0

**TIME-FRAMES FOR PROCESSING FOIA REQUESTS**

23. Number of FOIA requests processed within 15 days.....	6
24. Number of FOIA requests processed between 16 and 25 days.....	9
25. Number of FOIA requests processed in 26 days or more.....	5
26. Median number of days to process FOIA Requests.....	21

**RESOURCES ALLOCATED TO PROCESSING FOIA REQUESTS**

27. Number of staff hours devoted to processing FOIA requests.....	40
28. Total dollar amount expended by public body for processing FOIA requests.....	Unknown

**FEES FOR PROCESSING FOIA REQUESTS**

29. Total amount of fees collected by public body.....	\$0
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**PROSECUTIONS PURSUANT TO SECTION 207(d) OF THE D.C. FOIA**

30. Number of employees found guilty of a misdemeanor for arbitrarily or capriciously violating any provision of the District of Columbia Freedom of Information Act .....	0
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**QUALITATIVE DESCRIPTION OR SUMMARY STATEMENT**

Pursuant to section 208(a)(9) of the D.C. FOIA, provide in the space below or as an attachment, “[a] qualitative description or summary statement, and conclusions drawn from the data regarding compliance [with the provisions of the Act].”

The DC Retirement Board (DCRB) receives several FOIA requests focused on Investment matters. In response to such public inquiries and to ensure full transparency, DCRB posts investment information on its website.



# DISTRICT OF COLUMBIA OFFICE OF THE INSPECTOR GENERAL

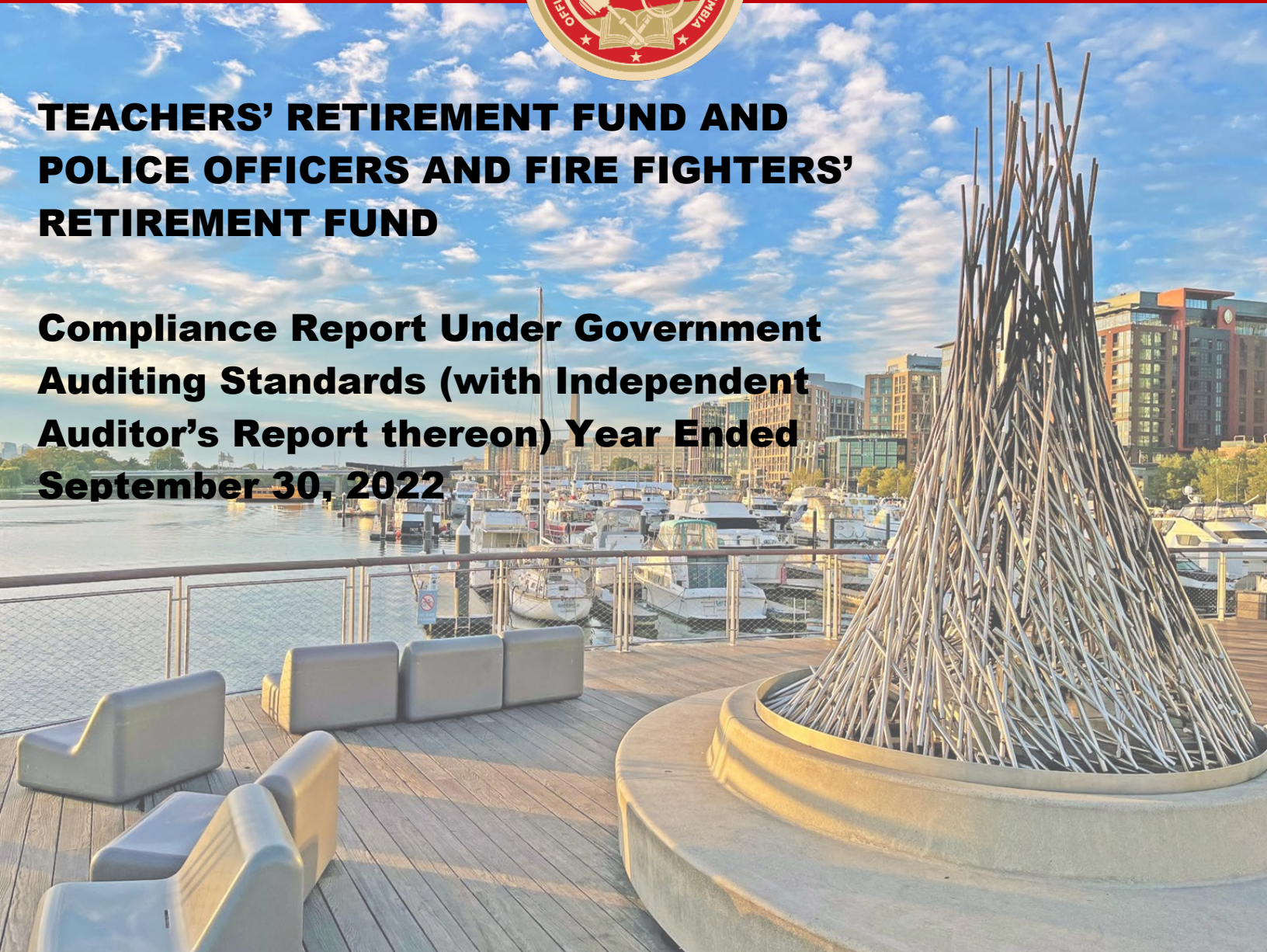
OIG Project No. 22-1-40MA(a)

January 2023



## **TEACHERS' RETIREMENT FUND AND POLICE OFFICERS AND FIRE FIGHTERS' RETIREMENT FUND**

**Compliance Report Under Government  
Auditing Standards (with Independent  
Auditor's Report thereon) Year Ended  
September 30, 2022**



### *GUIDING PRINCIPLES*

*ACCOUNTABILITY \* INTEGRITY \* PROFESSIONALISM  
TRANSPARENCY \* CONTINUOUS IMPROVEMENT \* EXCELLENCE*

## **Mission**

Our mission is to independently audit, inspect, and investigate matters pertaining to the District of Columbia government in order to:

- prevent and detect corruption, mismanagement, waste, fraud, and abuse;
- promote economy, efficiency, effectiveness, and accountability;
- inform stakeholders about issues relating to District programs and operations; and
- recommend and track the implementation of corrective actions.

## **Vision**

Our vision is to be a world-class Office of the Inspector General that is customer-focused and sets the standard for oversight excellence!

## **Core Values**

Accountability \* Integrity \* Professionalism  
Transparency \* Continuous Improvement \* Excellence



GOVERNMENT OF THE DISTRICT OF COLUMBIA  
Office of the Inspector General

Inspector General



January 31, 2023

The Honorable Muriel Bowser  
Mayor of the District of Columbia  
Mayor's Correspondence Unit  
John A. Wilson Building  
1350 Pennsylvania Avenue, N.W., Suite 316  
Washington, D.C. 20004

The Honorable Phil Mendelson  
Chairman  
Council of the District of Columbia  
John A. Wilson Building  
1350 Pennsylvania Avenue, N.W., Suite 504  
Washington, D.C. 20004


Dear Mayor Bowser and Chairman Mendelson:

Enclosed is the final report entitled *Teachers' Retirement Fund and Police Officers and Fire Fighters' Retirement Fund Compliance Report Under Government Auditing Standards (with Independent Auditors' Report thereon) Year Ended September 30, 2022* (OIG No. 22-1-40MA(a)). McConnell Jones, LLP (MJ) submitted this report as part of our overall contract for the audit of the District of Columbia's general-purpose financial statements for fiscal year 2022. MJ is contractually required to review the work papers of BCA Watson Rice LLP (BCAWR), which audited the financial statements of the District of Columbia Teachers' Retirement Fund and District of Columbia Police Officers and Fire Fighters' Retirement Fund (the Funds) to independently determine whether the financial statements are fairly presented.

On December 19, 2022, BCAWR issued its opinion and identified no material weaknesses in internal control over financial reporting. The report also includes BCAWR's summary of prior year management recommendations, which have been addressed by management.

If you have questions about this report, please contact me or Fekede Gindaba, Assistant Inspector General for Audits, at (202) 727-2540.

Sincerely,

  
Daniel W. Lucas  
Inspector General

DWL/ws

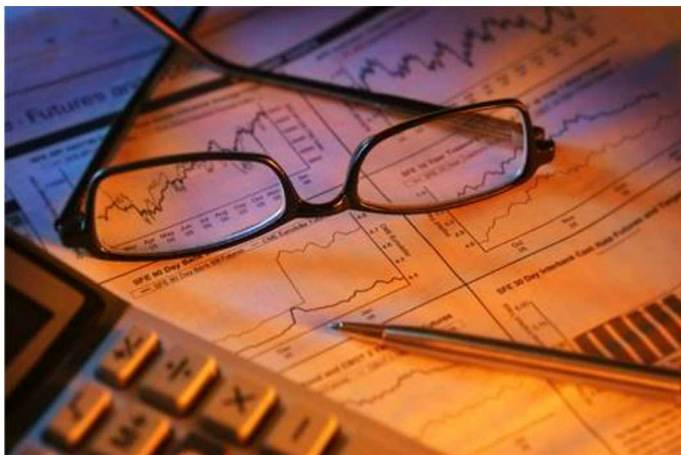
Enclosure

cc: See Distribution List



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The Honorable Anita Bonds, Chairperson, Committee on Executive Administration and Labor, Council of the District of Columbia  
Ms. Susana Castillo, Deputy Director of Communications/Press Secretary, Office of Communications, Executive Office of the Mayor  
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Mr. Gianpiero (JP) Balestrieri, Executive Director, District of Columbia Retirement Board  
Mr. Joseph M. Bress, Chair, Board of Trustees, District of Columbia Retirement Board  
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The Honorable Brian L. Schwalb, Attorney General for the District of Columbia  
Mr. Glen Lee, Chief Financial Officer, Office of the Chief Financial Officer  
Mr. Timothy Barry, Executive Director, Office of Integrity and Oversight, Office of the Chief Financial Officer  
The Honorable Kathy Patterson, D.C. Auditor, Office of the D.C. Auditor  
Mr. Jed Ross, Director and Chief Risk Officer, Office of Risk Management  
Mr. Wayne McConnell, Managing Partner, McConnell & Jones LLP



## District of Columbia Teachers' Retirement Fund and Police Officers and Fire Fighters' Retirement Fund

Compliance Report Under Government Auditing Standards  
(with Independent Auditor's Report thereon)  
Year Ended September 30, 2022

DISTRICT OF COLUMBIA  
TEACHERS' RETIREMENT FUND AND POLICE OFFICERS AND  
FIRE FIGHTERS' RETIREMENT FUND  
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING  
STANDARDS*.**

To the Board of Trustees, District of Columbia Retirement Board for  
District of Columbia Teachers' Retirement Fund and  
District of Columbia Police Officers and Fire Fighters' Retirement Fund

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the combining financial statements of District of Columbia Teachers' Retirement Fund and District of Columbia Police Officers and Fire Fighters' Retirement Fund (the Funds), Pension Trust Funds of the Government of the District of Columbia, which comprise the Combining Statement of Fiduciary Net Position as of September 30, 2022, and the related Combining Statement of Changes in Fiduciary Net Position for the year then ended, and the related notes to the Funds combining financial statements, which collectively comprise the Funds' basic financial statements, and have issued our report thereon dated December 19, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Funds' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the Funds' financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control. Accordingly, we do not express an opinion on the effectiveness of the Funds' internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Funds' financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Funds' basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Funds' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Funds' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Trustees and management and is not intended to be and should not be used by anyone other than these specified parties.

Washington, D.C. *Watson Rice LLP*  
December 19, 2022

**DISTRICT OF COLUMBIA  
TEACHERS' RETIREMENT FUND AND POLICE OFFICERS AND  
FIRE FIGHTERS' RETIREMENT FUND**

**SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED SEPTEMBER 30, 2022**

**SECTION 1**

**SUMMARY OF AUDITOR'S RESULTS**

*Financial Statements*

- |    |  |            |
|----|--|------------|
| 1. | Type of auditor's opinion issued:                        | Unmodified |
| 2. | Internal control over financial reporting:               |            |
|    | a) Material weaknesses identified?                       | No         |
|    | b) Significant deficiencies identified?                  | No         |
|    | c) Noncompliance material to financial statements noted? | No         |

**DISTRICT OF COLUMBIA  
TEACHERS' RETIREMENT FUND AND POLICE OFFICERS AND  
FIRE FIGHTERS' RETIREMENT FUND**

**SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED SEPTEMBER 30, 2022**

**Current Year Findings:**

None identified

**DISTRICT OF COLUMBIA  
TEACHERS' RETIREMENT FUND AND POLICE OFFICERS AND  
FIRE FIGHTERS' RETIREMENT FUND**

**SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED SEPTEMBER 30, 2022**

**Status of Prior Years' Findings:**

**Finding No. 2020-01 (2020-01 and 2019-001): Prior Year Finding (Significant Deficiency):**

**Condition:** Management did not implement the fiscal year 2019 findings issued by the prior auditor. These findings, when taken together, were considered to be a significant deficiency in internal control over financial reporting. The matters noted in the prior year finding include:

- Management did not incorporate audit adjustments for fiscal year 2018 in the general ledger. The initial trial balance included balances that were not properly reconciled with the fiscal year 2018 audited financial statements. Although, we were able to reconcile opening balances to prior year audited financial statements without any material differences, the potential exists for errors within individual Funds that remain embedded in the Funds' net asset balances that originated in the past years.
- Management does not have a formal written, financial reporting process manual in place that documents process for recording general ledger transactions or captures accounting policies used by Funds. It was also noted that DCRB does not have a capitalization policy to set a threshold, above which qualifying expenditures are recorded as fixed assets, nor is the policy set by the District of Columbia being followed consistently. We found there were no significant capital expenditures charged for the current fiscal year.
- At present, investment managers' fees are paid as invoiced and not recalculated to ensure that they comply with the terms of the respective investment management agreements.

**Status of Finding 2020-01:**

At the end of fiscal year 2021, the recommendations were considered partially addressed by DCRB, as follows:

- Management's corrective action plan for fiscal year 2019 and 2020, indicated that a consultant would be procured to assist with the findings noted in prior years. DCRB procured the consultant who completed their report, which was issued dated September 17, 2021. The consultant report suggests that management should further review a specific journal entry impacting the due to/from accounts. While the report noted the entry has no financial statement impact, it should be reviewed for appropriateness. Management will complete its analysis of this entry in fiscal year 2022.
- Management reviewed transactions for several prior years to determine whether there were any material adjustments to the opening balances. The results of this investigation revealed that there were no material errors in the opening balances. We also reviewed the opening balances for the past five years and determined that there were no material errors in the rollforward of the balances. Differences between the funds were a function of the allocation of the master trust using the allocation percentages provided by the custodian throughout the fiscal year. These allocation differences were immaterial to the Funds.



**DISTRICT OF COLUMBIA  
TEACHERS' RETIREMENT FUND AND POLICE OFFICERS AND  
FIRE FIGHTERS' RETIREMENT FUND**

**SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED SEPTEMBER 30, 2022**

- For findings 2 and 3 above, a comprehensive Policies and Procedures Manual was developed by DCRB. This includes a capitalization policy developed during fiscal year 2020 and presented to the Board on December 17, 2020. The new policies and procedures are to be implemented in fiscal year 2022.

**Status of Finding 2021-01:**

For fiscal year 2022, the recommendations have been addressed by DCRB, as follows:

- **Due To/From Accounts:** Management completed its analysis of the specific journal entry number 18890 dated September 28, 2018, who indicated that the entry was appropriate. We were presented with a copy of the journal inquiry report and the input support used to create the journal. The journal was entered by a current member of staff and approved by the prior Chief Financial Officer (CFO). The journal narration was to correct certain balance sheet accounts, which included (1) correcting the beginning net position because the administrative fund should have a zero net position at year end and (2) adjusting the accrued manager fee balance to agree to the updated investment fee PBC schedule prepared at year end.

The use of due to/due from account number 29003, was incorrect because this account was discontinued when the new GL was implemented and instead transfers to/transfers from administrative fund account series 71xxx and 72xxx were to be used. The impact of the journal entry 18890 on account number 29003, was \$788,528. This was corrected by management on September 20, 2021.

- **Formal Policies and Procedures:** DCRB's existing policies and procedures were drafted, presented and formalized with an effective date of October 1, 2021. We have documented our understanding of these policies and procedures and, based on our audit approach, tested the key controls of certain components such as investment and administrative fees.
- **Investment Management Fees:** The accounting department recalculated investment management fees for public managers, which represent an estimated 80% of total investments. Overall, public managers fees range from 0.01% to 0.65% (an estimated average of 0.15%) of net asset position. Managers provide an invoice showing the net asset position and rates used in determining the fees. These rates and net asset positions are checked by DCRB. We selected a sample of these public manager fees, recalculated the billed amounts and verified through the journal inquiry report the appropriate segregation of duties and the key control of the CFO's approval.

Private managers earn fees on capital calls and performance, which based on Meketa's 2021 report range from 0.55% to 2.5%. Capital calls are supported by invoices typically showing the gross capital call (all investors) and DCRB's portion of the call including the management fees on these calls with clear reference to the limited partnership agreement. These capital calls are relatively checked based on DCRB's percentage investment in the limited partnership or fund, which we have also verified. Other fees such as performance fees are supported by audited statements of the various partnerships and funds, for which manager reporting lags by an average of three to six months.

**DISTRICT OF COLUMBIA  
TEACHERS' RETIREMENT FUND AND POLICE OFFICERS AND  
FIRE FIGHTERS' RETIREMENT FUND**

**SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED SEPTEMBER 30, 2022**

The investment department contributes to the validation of fees in contracting CEM to do an annual benchmarking of fees for which the results are presented to various DCRB's committees. Annually, Meketa prepared an analysis of all fees (public and private), which has been presented to those charged with governance. Additionally, DCRB has contracted Colmore to review the investment management fees for three years to determine whether amounts charged by managers are reasonable.

To report fraud, waste, abuse, or mismanagement:



(202) 724-TIPS (8477) and (800) 521-1639



<http://oig.dc.gov>



[oig@dc.gov](mailto:oig@dc.gov)

