COLORADO PERA

Colorado PERA Board of Trustees

Audit Committee Meeting Materials

November 19, 2026

Agenda

Audit Committee Meeting

Raymond “Doc” Heath Memorial Boardroom
1301 Pennsylvania Street
Denver, CO

Thursday November 19, 2026
Time: 3:15 p.m.

All times are approximate and for reference only. Items designated for Information are appropriate for Action if the Board wishes to take action.

1. **Approval of Consent Agenda**

   (Governance Item) Action

   Presented by: Timothy M. O’Brien, Chairman, Audit Committee

   a. **November 19, 2026, Audit Committee Meeting Agenda**
   b. **June 24, 2026, Audit Committee Meeting Minutes**
   c. **October 13, 2026, Special Audit Committee Meeting Minutes**
   d. **Annual Summary Report to Board of Trustees on Audit Committee Governance Activities**

2. **Colorado PERA 2026 Financial Audit Plan**

   (Governance Item) Information

   Presented by: Marisa Edwards, Deputy State Auditor, Office of the State Auditor; Amanda Cronk, Principal, CPA, Plante Moran; Michelle Watterworth, Partner, CPA, Plante Moran; Jean Young, Partner, CPA, Plante Moran

   a. **Colorado PERA 2026 Financial Audit Plan Presentation**

3. **Colorado PERA Annual Comprehensive Report (ACFR) Update**

   (Governance Item) Information

   Presented by: Catherine Maninger, PERA Director of Accounting/Controller

   a. **Colorado PERA Annual Comprehensive Report (ACFR) Update Presentation**

4. **Internal Audit Risk Assessment and Proposed 2027 Audit Plan**

   (Governance Item) Action

   Presented by: Jason Orvin, PERA Interim Audit Leader

   a. **Internal Audit Risk Assessment and Proposed 2027 Audit Plan Presentation**

5. Internal Audit Proposed Budget

(Governance Item) Action

Presented by: Jason Orvin, PERA Interim Audit Leader

a. Internal Audit Proposed Budget Presentation

6. Internal Audit Activity Status Update

(Governance Item) Information

Presented by: Jason Orvin, PERA Interim Audit Leader

a. Internal Audit Activity Status Update Presentation

7. Annual Audit Committee Charter Review

(Governance Item) Information

Presented by: Jason Orvin, PERA Interim Audit Leader

a. Annual Audit Committee Charter Review Presentation

8. Annual Audit Committee Meeting with PERA General Counsel

(Closed Executive Session)

(Governance Item) Information

Presented by: Timothy M. O'Brien, Chairman, Audit Committee; Megan Peitzmeier; PERA Interim General Counsel

9. Annual Audit Committee Meeting with PERA CEO/Executive Director

(Closed Executive Session)

(Governance Item) Information

Presented by: Timothy M. O'Brien, Chairman, Audit Committee; Andrew Roth, PERA Chief Executive Officer/Executive Director

10. Committee Announcements

(Governance Item) Information

Presented by: Timothy M. O'Brien, Chairman, Audit Committee

11. 2027 Audit Committee Meeting Dates

(Governance Item) Information

Presented by: Timothy M. O'Brien, Chairman, Audit Committee

- March 25, 2027
- June 8, 2027
- June 24, 2027
- November 18, 2027

Exhibit A – March 25, 2027, Audit Committee Meeting Agenda Draft
Exhibit B – Audit Committee 2026 Workplan
Exhibit C – Draft 2027 Audit Committee Workplan
Exhibit D – 2027 Audit Plan
Exhibit E – Audit Coverage by Risk and Strategic Importance
Exhibit F – Risk Assessment Ratings by Division
Exhibit G – Outstanding Audit Recommendations

The Board may convene in Closed Executive Session pursuant to, but not limited to, the following:

A. Colorado Open Meetings Law, Section § 24-6-402(4)(a): Purchase, acquisition, lease, transfer, or sale of any real, personal, or other property interest;
B. Colorado Open Meetings Law, Section § 24-6-402(4)(b): Conferences with an attorney for the local public body for the purposes of receiving legal advice on specific legal questions;
C. Colorado Open Meetings Law, Section § 24-6-402(4)(c): Matters required to be kept confidential by federal or state law or rules and regulations.
D. Colorado Open Meetings Law, Section § 24-6-402(4)(d): Specialized details of security arrangements or investigations, including defenses against terrorism, both domestic and foreign, and including where disclosure of the matters discussed might reveal information that could be used for the purpose of committing, or avoiding prosecution for, a violation of the law;
E. Colorado Open Meetings Law, Section § 24-6-402(4)(e)(I): Determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators;
F. Colorado Open Meetings Law, Section § 24-6-402(4)(f)(I): Personnel matters except if the employee who is the subject of the session has requested an open meeting, or if the personnel matter involves more than one employee, all of the employees have requested an open meeting.
G. Colorado Open Meetings Law, Section § 24-6-402(4)(g): Consideration of any documents protected by the mandatory nondisclosure provisions of the “Colorado Open Records Act”, part 2 of article 72

Minutes

Colorado PERA Audit Committee Meeting

Raymond “Doc” Heath Memorial Boardroom
1301 Pennsylvania Street
Denver, Colorado

Wednesday, June 24, 2026
1:30 p.m. MST

Committee Members Present:	Timothy M. O’Brien (Committee Chair), Nate Geroche, Cynthia Loh, Tina Mueh, Jennifer Pasquino, Tonya Thompson, Mary-Margaret Henke, Tammie Lowrie
PERA Staff Present:	Andrew Roth, Sarah Wager, Jesse Bertoli, Ryan Ericson, Kevin Gallaway, Jeremy Hill, Patrick Lane, Robin Maniglia, Amy C. McGarrity, Cheryl Pattelli, Meg Cody, Bill Detweiler, Ben Garfield, Koren Holden, Rachel Kelley, Patrick von Keyserling, Catherine Maninger, Brenda, Meidl, Megan Peitzmeier, Ian Rowe
Others in Attendance:	Suzanne Dugan of Cohen Milstein Sellers & Toll PLLC

Timothy M. O’Brien, Audit Committee Chair, called the meeting to order at 1:45 p.m.

Approval of Consent Agenda

MOTION: A motion was made by Nate Geroche and seconded by Jennifer Pasquino to approve Consent Agenda as published with the following items:

a. June 24, 2026, Audit Committee Meeting Agenda
b. June 9, 2026, Audit Committee Meeting Minutes

The motion was unanimously approved.

Audit Committee Chair Report Out

Chairman O’Brien, reported that, consistent with the Governance Manual, he met with the PERA Chief Financial Officer and Controller to discuss matters related to the external audit and PERA’s financial reporting processes. Topics included whether there were any informal management letter recommendations from Plante Moran that management wished to discuss or were considering implementing, whether any disagreements existed regarding accounting treatments, whether the

external auditors demonstrated sufficient knowledge and experience, and whether PERA is appropriately resourced to carry out its financial reporting and control responsibilities in accordance with best practices. The Chief Financial Officer and Controller indicated that there were no concerns related to these matters, and their responses to all inquiries were satisfactory. The Chairman O'Brien then invited committee members to direct any questions to the Chief Financial Officer or Controller. There were no additional questions at that time.

Chairman O'Brien reported that, consistent with the Governance Manual, he met with the PERA Chief Audit Executive to discuss the effectiveness and support of the internal audit function. Topics included whether Internal Audit is receiving appropriate support from management, whether sufficient resources are available to fulfill its responsibilities, whether any significant impairments to PERA's system of internal controls remain unreported, whether any ethics hotline complaints were properly investigated, and whether staff continue to attest to compliance with PERA's Standards of Ethical and Professional Conduct. The Chief Audit Executive indicated that there were no concerns regarding these matters, and the responses to all inquiries were satisfactory. The Chair then invited committee members to direct any questions to the Chief Audit Executive. There were no additional questions at that time.

2025 Financial Audit Update

Marisa Edwards, Deputy State Auditor with the Office of the State Auditor, introduced the audit team from Plante Moran. Jean Young, Partner and CPA, and Manju Patnaik, Senior Manager and CPA, presented an overview of the FY2025 external audit, including the audit timeline, approach, and key deliverables. The auditors reported that planning and preliminary audit activities began in October 2025, followed by internal control reviews and risk assessment procedures in January 2026. Employer payroll attestation procedures were completed in March 2026, after which the audit team conducted substantive testing and other audit activities. The Plante Moran team reviewed the primary audit deliverables, including the Annual Comprehensive Financial Report (ACFR), GASB 68 and GASB 75 schedules, the report on internal controls over financial reporting, and required governance communications. They also outlined the audit approach and timeline for completing and reporting the results of the FY2025 audit.

The Plante Moran audit team described its risk-based audit approach, which included extensive substantive testing and data analytics across major areas such as investments, actuarial assumptions and calculations, census data, benefit payments, employer payroll reporting, journal entries, and financial reporting. Investments, actuarial liabilities, and employer attestation reports received significant audit focus. While some employer attestation exceptions were identified, the auditors concluded they did not have a material impact on actuarial calculations. They highlighted their use of data analytics to evaluate 100% of selected populations, including benefit payments, census data, and manual journal entries. Follow-up testing of identified outliers did not reveal any errors, irregularities, or areas of concern.

The Plante Moran audit team reported issuing unmodified opinions on the Annual Comprehensive Financial Report (ACFR), GASB 68 schedules, and GASB 75 schedules, representing the highest level of assurance that the financial statements and related schedules are fairly presented in accordance

with applicable accounting standards and free from material misstatement. The auditors also discussed their coordination with Internal Audit throughout the engagement. Internal Audit reports were reviewed as part of the external auditors' risk assessment process, and ongoing communication between the two functions helped inform areas of audit focus. Outside Audit Committee Member Mary-Margaret Henke, inquired about the extent to which the auditors relied on the predecessor auditor's workpapers and on worked performed by Internal Audit. The audit team explained that they reviewed and evaluated the predecessor auditor's procedures related to comparative financial statement information and independently assessed the supporting documentation available to them, reaching consistent conclusions. In relation to reliance on Internal Audit, the Plante Moran team explained that they could not rely on Internal Audit work unless they were active participants in the audit, including sample selection.

The auditors also described their review of key actuarial assumptions, including the long-term rate of return assumption. They noted that assumptions were evaluated for reasonableness through independent analysis, comparison to industry benchmarks, and consultation with actuarial specialists. The auditors clarified that their role is to assess the reasonableness of actuarial assumptions and underlying data used in the valuation process, rather than independently perform actuarial valuations. Sarah Wager, PERA Deputy Executive Director, reminded the Audit Committee that PERA's actuary is currently undergoing a comprehensive independent actuarial audit conducted by a separate third-party actuary. She noted that the results of that review are expected to be presented to the Board later in the year.

Annual Audit Committee Meeting with PERA External Auditor and Deputy State Auditor

The Audit Committee approved going into closed Executive Session at 2:11 p.m. It was appropriate to go into closed Executive Session pursuant to Colorado Revised Statutes § 2-3-103, et. seq., regarding workpapers, findings, and reports of the Office of the State Auditor that are required to be kept confidential. A quorum was noted by Chairman O’Brien.

Trustees present: Rebecca Freyre, Nate Geroche, Mary-Margaret Henke, Cynthia Loh, Tammie Lowrie, Maruti More, Tina Mueh, Tim O’Brien, Jennifer Pasquino, Scott Simon, Tonya Thompson

In addition to the Trustees, Kevin Gallaway, PERA General Counsel; Megan Peitzmeier, PERA Deputy General Counsel; Marisa Edwards, Deputy State Auditor, Office of the State Auditor; Jean Young, CPA, Engagement Partner, Plante Moran; Amanda Cronk, CPA, Principal, Plante Moran; Manju Patnaik, CPA, Senior Manager, Plante Moran; Suzanne Dugan, Special Counsel, Cohen Milstein Sellers & Toll, participated in the closed Executive Session. All other PERA staff and guests left the room.

The closed Executive Session concluded at 2:18 p.m.

2025 Annual Comprehensive Financial Report Approval (ACFR)

Cheryl Pattelli, PERA Chief Financial Officer and Catherine Maninger, PERA Director of Accounting/Controller led the discussion on the review of Colorado PERA's 2025 Annual Comprehensive Financial Report (ACFR) that was made available to the Board for final review in Workiva. Cheryl Pattelli expressed appreciation to staff across the organization for their contributions to the ACFR process and recognized the Finance team for its leadership and extensive efforts throughout the reporting cycle.

Catherine Maninger reported that the Audit Committee had received the finalized ACFR, including the external auditor's unmodified opinion. The auditors also issued unmodified opinions on the GASB 68 and GASB 75 schedules. Additionally, the auditors reported no material weaknesses, internal control findings, or management letter recommendations. Based on these results, PERA staff recommended approval of the ACFR for release. It was noted that, upon approval by the Committee and Board, the ACFR would be publicly released the following day. Catherine Manager asked for any questions from the Audit Committee. There were none.

MOTION: A motion was made by Cynthia Loh and seconded by Jennifer Pasquino that the Audit Committee recommend that the Board of Trustees authorize the release of the 2025 Colorado PERA Annual Comprehensive Financial Report.

The motion was unanimously approved.

Internal Audit Activity Status Update

PERA Chief Audit Executive Robin Maniglia introduced Annie Yao, Senior Investment Audit Manager, and provided an update on Internal Audit activities since the Committee's March meeting. She reported that Internal Audit continues to make steady progress against its audit plans and that four (4) assurance and employer audits were completed since the last update, with all reports issued except the Investment Incentive Pay Program audit, which remains in draft form and is expected to be finalized in the coming weeks. Governance and strategic planning activities completed during the reporting period included the Board election process, the annual Standards of Professional and Ethical Conduct review, and implementation of the Internal Audit Strategic Plan. She reported that nine projects are currently in progress, including three high-risk information technology audits focused on patch management, identity and access management, and investment IT general controls. Internal Audit has also initiated its annual enterprise-wide risk assessment process to support development of the proposed 2027 Internal Audit Plan.

The Audit Committee received an update on audit plan progress, noting that the 2025 Internal Audit Plan is approximately 88% complete. Remaining activities primarily consist of technology-related audits and finalization of the Investment Incentive Compensation Program audit. Progress on the 2026 plan was reported as on track. Trustee Jennifer Pasquino inquired about Internal Audit's use of artificial intelligence (AI). Robin Maniglia stated that AI is currently being used primarily for administrative support and limited data analysis activities and noted that future opportunities exist to expand AI and data analytics capabilities. She emphasized that AI is expected to enhance audit coverage and

efficiency rather than replace staffing resources. She also reported that Internal Audit is currently tracking 22 outstanding audit recommendations, seven of which are past due, with the majority of those related to employer audits and information technology business continuity activities. Internal Audit continues to work with management to support timely resolution of recommendations.

Annie Yao presented the results of the audit of PERA's Securities Lending Program. The audit concluded that key program risks are being effectively managed through investment guidelines, collateral requirements, counterparty limits, and ongoing monitoring by management and the lending agent. The audit received a satisfactory rating. One recommendation was issued to strengthen vendor oversight through a more formalized cross-functional governance framework. Management agreed with the recommendation and is developing corrective actions.

Robin Maniglia highlighted the recently completed employer audit of Adams State University as an example of the value of PERA's employer audit program. The audit identified findings related to includable salary reporting, independent contractor classification, and reporting associated with optional retirement plans. Trustee Jennifer Pasquino inquired about the recurring nature of some of the employer audit findings and the challenges employers face in interpreting and applying complex statutory and reporting requirements. Robin Maniglia explained that employer audits often uncover issues involving information that is not reported to PERA, making discrepancies difficult to detect. She further stated that ongoing employer education and training efforts, along with the implementation of a new pension administration system, are expected to improve reporting accuracy by enabling the collection of additional employer data and expanding the use of data analytics to identify potential issues more efficiently. Sarah Wager added that for includable salary reporting, PERA's records and benefit liabilities are based on the compensation and contributions reported by employers. As a result, financial liabilities align with the contributions received. She noted that reporting discrepancies most often become apparent when a member is preparing to retire, at which point corrections may be necessary to ensure benefits are calculated accurately.

Robin Maniglia provided a preliminary overview of the annual Standards of Professional and Ethical Conduct review. All Board members and active employees completed required attestation questionnaires, resulting in a 100 percent response rate. No issues requiring disclosure to the Audit Committee were identified. She also noted plans to enhance employee training related to standards of professional and ethical conduct, particularly as organizational policies continue to evolve. No submissions to the ethics helpline had been received since the Committee's March meeting.

Robin Maniglia presented a request for a budget amendment to add one full-time Senior Auditor position to Internal Audit. The proposed amendment would increase the current mid-year 2026 Internal Audit budget by approximately $96,796, with an estimated annualized cost of approximately $198,000 in future years. She stated that the additional position is needed to address increasing audit workload, support succession planning, provide operational resilience, and maintain progress against the approved audit plan. Kevin Gallaway, PERA General Counsel, clarified that the Audit Committee must first approve the proposed staffing request before any increase to PERA's overall organizational budget can be presented to the Board for consideration and approval. In response to questions from trustees

Tina Meuh and Jennifer Pasquino, Robin Maniglia noted that Internal Audit has not received a staffing increase for several years despite growth in overall PERA staffing levels. She explained that organizational growth, modernization initiatives, evolving risks, and expanded audit responsibilities have significantly increased the department's workload. Andrew Roth, PERA Executive Director/CEO stated that he and Robin Maniglia had discussed Internal Audit's staffing needs for some time and acknowledged the operational challenges facing the department.

MOTION: A motion was made by Nate Geroche and seconded by Tim O'Brien that the Audit Committee approve the proposed budget amendment, increasing the Internal Audit budget by $96,796 to fund one additional full-time Senior Auditor position, as outlined in Audit Committee Agenda Materials 6.a., Internal Audit Update.

Discussion ensued. Chairman O'Brien emphasized the importance of maintaining a strong and effective Internal Audit function while balancing the Board's fiduciary responsibilities and budget oversight obligations. Trustee Jennifer Pasquino requested that, in addition to considering the staffing request, the Audit Committee acknowledge the need to evaluate Internal Audit's optimal staffing levels and workload capacity as part of future budget discussions. Trustee Cynthia Loh inquired about the potential impact of AI and system modernization efforts on future staffing requirements. Robin Maniglia acknowledged that the adoption of AI may improve efficiency and expand audit coverage over time; however, she noted that Internal Audit's risk environment continues to evolve and increase in complexity. She further stated that current use of AI is being implemented in accordance with PERA's developing AI governance framework.

Trustee Tina Mueh inquired about the absence of a formal process for addressing staffing and budget requests outside of the annual budget cycle and the precedent such requests could create. Andrew Roth stated that PERA is evaluating options for establishing a mid-year budget adjustment process and committed to bringing recommendations forward for future Board consideration. Suzanne Dugan, PERA Board Fiduciary Counsel, clarified that the staffing request represented a unique circumstance because the Audit Committee Charter specifically requires Committee approval of Internal Audit staffing and budget matters. She noted that the Committee already has responsibility for ongoing oversight of Internal Audit staffing through the annual budget process. Trustee Tina Mueh requested consideration of an amendment to the motion that would acknowledge both the immediate operational need for additional resources and the ad hoc nature of the request. Kevin Gallaway noted that the Audit Committee Charter already provides a mechanism for the Chief Audit Executive to bring forward additional full-time equivalent staffing requests for Committee consideration and approval.

Trustee Tina Mueh subsequently proposed an amendment to the motion.

An amended motion was made by Trustee Tina Mueh to insert “one-time” between “the Audit Committee approve the” and “proposed budget amendment.” Trustee Nate Geroche seconded the amendment to the motion.

AMENDED MOTION: I move that the Audit Committee approve the one-time proposed budget amendment, increasing the Internal Audit budget by $96,796 to fund one additional full-time Senior Auditor position, as outlined in Audit Committee Agenda Materials 6.a., Internal Audit Update.

Call for the question on Amendment to the Motion by Trustee Tina Mueh

The amendment to the motion was unanimously approved.

Call for the question on the Amended Motion by Trustee Tina Mueh

The motion was unanimously approved.

Robin Maniglia presented recommended changes to the Internal Audit Plan to accommodate a pre-implementation review of the Workday financial system as part of the PRISM project. She recommended removing the I-Series RAC audit from the 2025 Audit Plan and deferring the database management audit from 2026 to early 2027 to create capacity for the new review. She explained that PERA is scheduled to transition its accounting system from PeopleSoft to Workday at year-end and that the proposed audit plan revisions would allow Internal Audit to provide independent assurance over key pre-implementation activities, the go-live decision-making process, and post-implementation controls. Noting that the changes would enable Internal Audit to focus resources on areas of heightened organizational risk associated with the system conversion.

MOTION: A motion was made by Tina Mueh and seconded by Nate Geroche that the Audit Committee approve the amended 2026 Internal Audit Plan as outlined in Audit Committee Agenda Materials 6.a., Internal Audit Update.

The motion was unanimously approved.

Evaluation of Outside Audit Committee Members and Review of Contracts

At the recommendation of Chairman O’Brien, the Audit Committee entered into discussion regarding the annual evaluation of the Outside Audit Committee Members and the review of their service agreements. Outside Audit Committee Members Tammie Lowrie and Mary-Margaret Henke, along with Internal Audit staff, were excused from the meeting. Kevin Gallaway reviewed the evaluation process with the Audit Committee, noting that the Audit Committee Charter provides for the appointment of one or two Outside Audit Committee Members who serve at the pleasure of the Committee. He explained that the Committee conducts annual evaluations of the Outside Audit Committee Members and considers renewal of their one-year service agreements as part of its oversight responsibilities.

Audit Committee members reviewed the evaluation summaries and discussed the value provided by the current Outside Audit Committee Members. Chairman O'Brien noted that the members bring complementary expertise, including perspectives from public accounting and chief audit executive level leadership, which enhances the Committee's oversight capabilities.

MOTION: A motion was made by Nate Geroche and seconded by Jennifer Pasquino that the Audit Committee recommends, and that staff extend, for another year, the service agreement between PERA and Mary-Margaret Henke to serve on the Audit Committee.

The motion was unanimously approved.

MOTION: A motion was made by Cynthia Loh and seconded by Jennifer Pasquino that the Audit Committee recommends, and that staff extend, for another year, the service agreement between PERA and Tammie Lowrie to serve on the Audit Committee.

The motion was unanimously approved.

Tammie Lowrie and Mary-Margaret Henke returned to the Audit Committee meeting. Chairman O'Brien informed Tammie Lowrie and Mary-Margaret Henke that their Outside Audit Committee member contracts will be renewed for another year.

Committee Announcements

Chairman O'Brien asked if there was any other additional business to discuss. No items were discussed by the Audit Committee.

2026 Audit Committee Meeting Dates

November 19, 2026

With no further business to discuss, Chairman O'Brien adjourned the meeting at 3:22 p.m.

Respectfully submitted by,

Rachel Kelley

Board Liaison

Approved:

Minutes

Colorado PERA Special Audit Committee Meeting

Raymond “Doc” Heath Memorial Boardroom
1301 Pennsylvania Street
Denver, CO

Tuesday, October 13, 2026
1:00 p.m. MST

Committee Members Present:	Timothy M. O’Brien (Committee Chair), Nate Geroche, Mary-Margaret Henke, Tammie Lowrie (Zoom), Tina Mueh, Tonya Thompson
Committee Members Absent:	Cynthia Loh and Jennifer Pasquino
PERA Staff Present:	Andrew Roth, Sarah Wager, Rebecca Harren, Ethan Draper, Ben Garfield, Rachel Kelley, Jess Lahr
Others in Attendance:	Larry Lee of Colorado Employment Law LLC

Timothy M. O’Brien, Audit Committee Chair, called the meeting to order at 1:00 p.m.

Approval of Consent Agenda

MOTION: A motion was made by Tina Mueh and seconded by Nate Geroche to approve Consent Agenda as published with the following items:

a. October 13, 2026, Audit Committee Meeting Agenda
b. July 7, 2026, Special Audit Committee Meeting Minutes

The motion was unanimously approved.

Chief Audit Executive Candidate Interviews and CAE Committee Hiring Discussion

The Audit Committee approved going into closed Executive Session at 1:02 p.m. It was appropriate to go into closed Executive Session pursuant to Colorado Revised Statutes C.R.S. § 24-6-402(4)(e)(I), (f)(I), to discuss personnel matters regarding the interview and discussion of candidates for the Chief Audit Executive. All candidates confirmed their desire that the review and discussion of their consideration for the position of Chief Audit Executive be conducted in closed executive session. A quorum was noted by Chairman O’Brien.

Trustees present: Nate Geroche, Mary-Margaret Henke, Tammie Lowrie, Tina Mueh, Tim O’Brien, Tonya Thompson

In addition to the Trustees, Andrew Roth, PERA Chief Executive Officer/Executive Director; Sarah Wager, Deputy Executive Director; Ethan Draper, PERA Staff Attorney; Rachel Kelley, PERA Board Liaison; Jess Lahr, PERA Staff Attorney and Larry Lee of Colorado Employment Law LLC, participated in the closed Executive Session. All other PERA staff and guests left the room.

The closed Executive Session concluded at 4:44 p.m.

MOTION: A motion was made by Tonya Thompson and seconded by Tina Mueh that the Audit Committee direct PERA staff to negotiate with the Committee's desired candidate, in priority order, for the position of Chief Audit Executive, and for PERA staff to retain and announce the hire of the Chief Audit Executive on behalf of the Audit Committee, pending successful negotiations of PERA staff with the candidate and successful background and reference checks.

The motion was unanimously approved

Committee Announcements

Chairman O'Brien asked if there was any other additional business to discuss. No items were discussed by the Audit Committee.

2026 - 2027 Audit Committee Meeting Dates

November 19, 2026
March 25, 2027
June 8, 2027
June 24, 2027
November 18, 2027

With no further business to discuss, Chairman O'Brien adjourned the meeting at 4:46 p.m.

Respectfully submitted by,

Rachel Kelley

Board Liaison

Approved:

Annual Summary Report
Audit Committee Governance Activities – 2026

Responsibility, as stated in the Audit Committee Charter	Execution
Meet at least three times per year.	The Committee met six times in 2026, including the November meeting.
At least annually, the Audit Committee Chair will meet separately with each of the following parties, without other members of PERA management present: • the Chief Executive Officer/Executive Director. • the Chief Audit Executive. • the Independent Auditor, and • the Controller. The Audit Committee Chair will report to the rest of the Committee, during a committee meeting, key information from these meetings. (effective June 27, 2025) The Audit Committee will also meet in Closed Executive session at least annually with the General Counsel for the purposes of receiving legal advice on specific legal questions.	The Committee met separately in June with the Chief Audit Executive and the Director of Accounting/Controller, and the Independent Auditors. The Committee Chair met separately with the Chief Executive Officer/Executive Director, Chief Audit Executive in November. The Audit Committee met in closed session with the General Counsel in November.
Oversee that appropriate accounting policies are in place.	No new accounting policies, or changes to policies, were recommended to the Board by the Committee in 2026.
• Review the design and effectiveness of PERA's internal controls. • Meet at least annually with the Chief Audit Executive and PERA management to discuss the effectiveness of PERA's internal financial controls, and internal control and risk management systems (including systems for ensuring compliance with applicable laws, regulations, policies, and contracts).	The Committee completed this in March, June, and November as part of its review of internal and external audit activities, audit recommendations, and management responses to those recommendations.
Periodically review the *Standards of Professional and Ethical Conduct* and recommend changes to the Board.	This will be a 2027 Committee agenda item

Responsibility, as stated in the Audit Committee Charter	Execution
• Ensure that PERA has adequate policies or procedures in place for monitoring employee reporting of any conduct or transaction that may be in violation of the *Standards of Professional and Ethical Conduct.* • Review Trustee and employee compliance with their respective *Standards of Professional and Ethical Conduct.*	Internal Audit distributed its annual report on PERA's compliance with the PERA standards of Professional and Ethical Conduct on July 15, 2026. Internal Audit did not identify any issues of non-compliance during its annual review.
Meet with the State Auditor, if requested, regarding the selection of the Independent Auditor.	New Independent auditor selected in September 2025 by the State Auditor. There was not a request to meet with the Audit Committee during the selection process.
Review information or reports provided by the State Auditor's Office, other regulatory agencies, or independent accountants or auditors concerning the Independent Auditor, or issues pertaining to the Independent Auditor's quality control or independence	This item was discussed and any relevant reports concerning the Independent Auditor, Plante Moran, presented to the Audit Committee at the November meeting.
Meet with the Independent Auditor and the Controller to discuss PERA's ACFR, the Independent Auditor's report, and Management's response thereto prior to the release to the public.	The Committee completed this in June.
Recommend the A*CFR* to the Board for approval. (Note: as the independent audit is commissioned by the State Auditor, the Board does not approve the audit of the financial statements)	The Committee completed this in June.
Review and approve criteria for the selection of the Chief Audit Executive based upon the Audit Committee members' knowledge of the organization and its needs and recommendations from the Chief Executive Officer/Executive Director. Interview finalists, select and appoint the Chief Audit Executive incorporating feedback from the Executive Director Set compensation and any changes thereto of the Chief Audit Executive, incorporating feedback from the Executive Director Upon consideration of such request by the Chief Executive Officer/Executive Director or if otherwise necessary, terminate the Chief Audit Executive and notify the board of its actions.	The Committee completed this in July 2026. The Committee completed this in October 2026. The Committee completed this in June and October 2026. Not applicable.
At least every 5 years, review and approve the charter for the Internal Audit Division recommended by the Chief Audit Executive	The Committee completed this in November 2024.

Responsibility, as stated in the Audit Committee Charter	Execution
Review the Chief Audit Executive's risk assessment report for the development of the internal audit plan.	The Committee completed this in November.
With the input of the Chief Executive Officer/Executive Director, review and approve the Chief Audit Executive's internal audit plan and budget and any significant revisions to them.	The Committee completed this in November.
Fulfill duties and receive reports consistent with Ethics Line Oversight and Governance Policy.	There were no Ethics Line complaints as of November 1st.
Receive progress reports on internal audit activities in relation to the annual internal audit plan.	The Committee completed this in March, June, and November as part of its review of internal audit activity, audit recommendations, and management responses to those recommendations.
Review with Management and the Chief Audit Executive: i) Internal Audit reports and Management's responses thereto; and ii) Any changes required in the scope of their internal audits.	The Committee completed this in March, June, and November as part of its review of internal audit activity, audit recommendations, and management responses to those recommendations.
Annually provide input into the Chief Executive Officer/Executive Director's annual performance evaluation of the Chief Audit Executive.	The Chief Executive Officer/Executive Director discussed this with the Audit Committee in November.
Ensure the Chief Audit Executive has unrestricted access to the data, records, information, personnel, and physical properties necessary to fulfil the internal audit mandate.	This is discussed with the Committee on an exception basis, or as indicated in a scope limitation in an audit report. There were no exceptions for the year.
Review, at least annually, the adequacy of resources made available to the Chief Audit Executive, including staffing, compensation, and operating budgets necessary for fulfilling the mandate within the Internal Audit Division charter and achieving the internal audit plan.	The Committee reviewed and approved the annual Internal Audit budget in November.

Responsibility, as stated in the Audit Committee Charter	Execution
Review the independence and effectiveness of the Internal Audit Division operations, including compliance with the Global Internal Audit Standards.	The Committee completed this in March, June, and November as part of its review of internal audit activity, recommendations, and responses to those recommendations.
Review the Chief Audit Executive's strategy for the Internal Audit Division to ensure that is supports PERA's strategic objectives.	The Committee reviewed the strategic plan in March 2026.
Review and approve the Internal Audit Division's performance objectives at least annually	The Committee reviewed the division's performance in March.
Meet annually with the Chief Audit Executive to discuss and consider the results of internal quality assessments of conformance with the Global Internal Audit Standards and progress toward performance objectives.	Last quality assessment and results February 2023. Next external quality assessment is planned for 2027.
At least every five years, review and approve the Chief Audit Executive's plan for performance of an external quality assessment in accordance with the Global IA Standards.	Planned for 2027
Review and approve the Chief Audit Executive's plans to address any deficiencies arising from the external quality assessment, including a timeline for completion of action plans.	N/A
Conduct a search for a new Outside Member, review the applications and resumes of qualifying candidates, and meet to identify candidates for interviews by the Audit Committee, and if deemed necessary.	No search was necessary in 2026, as the Audit Committee renewed its contracts with the two outside members in June 2026.
Recommend to the full Board one or more outside Audit Committee candidates for the Board's consideration.	N/A
Recommend to the Compensation & Budget Committee the annual compensation of the Outside Members, for inclusion in the Budget.	The Audit Committee renewed the outside Audit Committee members' contracts and compensation in June. Budget discussion happened in November.

Responsibility, as stated in the Audit Committee Charter	Execution
Annually evaluate the Outside Members of the Audit Committee and annually review their appointment with the Board.	Formal evaluation was completed in June.
Serve as a vehicle for communication between the Board, the Independent Auditor, the Chief Audit Executive, and Management concerning audit issues.	This is ongoing.
Review the findings or comments of any regulatory agencies concerning financial information or internal controls of PERA.	No findings or comments noted for the year.
Review any changes in accounting practices or policies, and the financial impact thereof, and review any accruals, provisions, estimates, or management programs and policies that may have a significant effect on the financial statements of PERA.	The Committee considered these during the review of the draft *ACFR* in June.
Review and approve meeting minutes; and report to the Board on its activities after each meeting.	The Committee completed this for each meeting in 2026.
Submit an annual report of the Committee's activities to the Board.	The Committee completed this in November.



Public Employees Retirement Association of Colorado
Pre-Audit Communication

Year Ended December 31, 2026

Engagement Team Leaders:



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Engagement Partner

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Agenda

- **Pre-Audit Communication**
  - Audits to Perform
  - Timing of Testing
  - Auditor Responsibilities
  - Identification of Significant Risks
  - Response to Significant Risks
  - Internal Control and Materiality
- **Accounting Standard Changes**
- **Questions**



Pre-Audit Communication

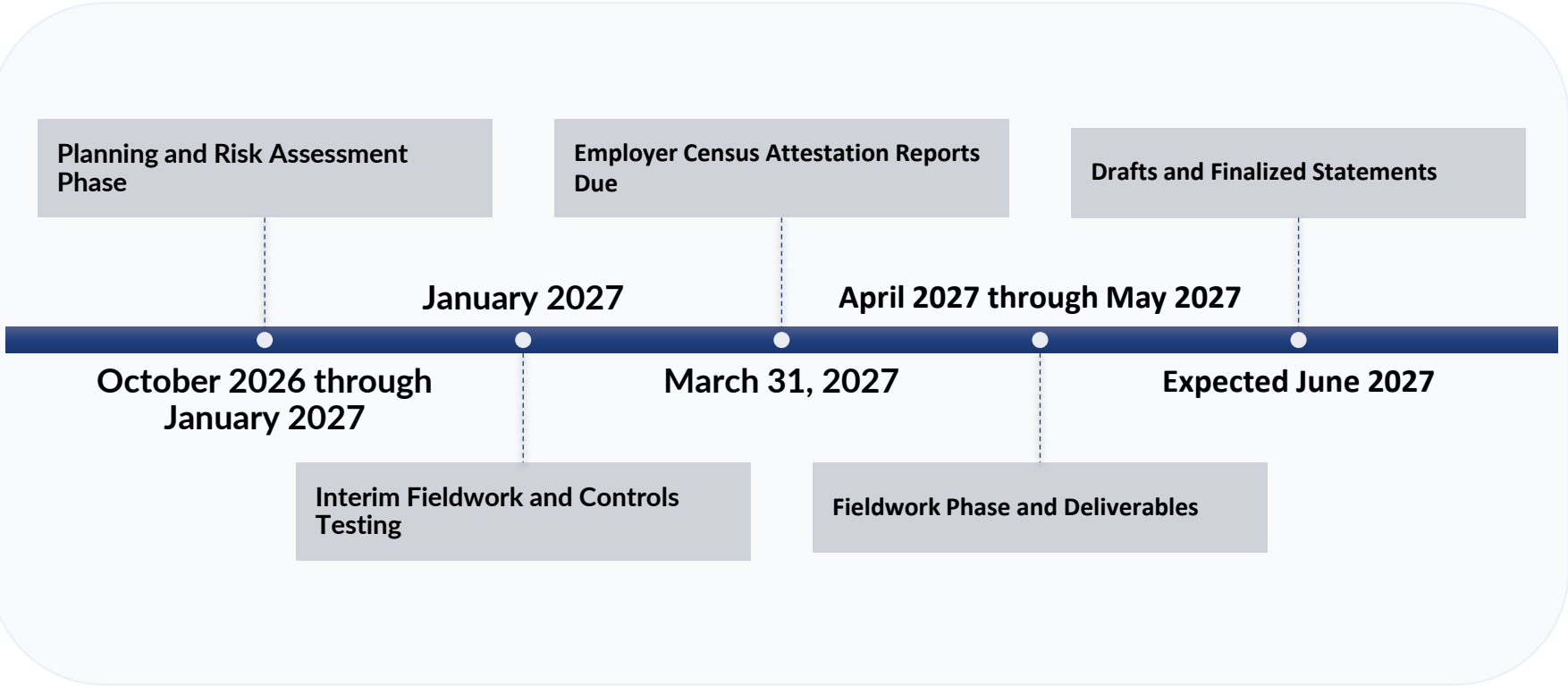
Audits to Perform

Plante Moran will perform an audit and express an opinion on the following:

- Colorado PERA's Annual Comprehensive Financial Report (ACFR) as of and for the year ended December 31, 2026 (target issuance date of June 11, 2027)
  - Opinions will also be expressed at the individual fund level
- Schedule of Employer Allocations and Schedules of Collective Pension Amounts for each of the Divisions of PERA (target issuance date of June 11, 2027)
- Schedule of Employer Allocations and Schedules of Collective Pension Amounts for OPEB for the HCTF and DPS HCTF (target issuance date of June 11, 2027)

Timing of Testing

Audit fieldwork will include several phases:



Auditor Responsibilities

Auditor Responsibilities

- To gain a basic understanding of the internal controls, policies and procedures in order to design an effective and efficient audit approach, not for the purpose of providing assurance on the internal control structure.
- To gain an understanding of internal control over financial reporting.
- To express an opinion about whether the financial statements prepared by management with your oversight are fairly presented in accordance with U.S. Generally accepted accounting principles (GAAP).
- To provide reasonable, not absolute, assurance of detecting material misstatement.

Auditor Responsibilities Continued

Auditor Responsibilities

- In accordance with Generally Accepted Government Auditing Standards (GAO Standards), we are required to design procedures to detect instances of noncompliance with provisions of laws, regulations, or contracts that have a material effect on the financial statements. We will communicate deficiencies in internal controls that are deemed to be a significant deficiency or material weakness, or noncompliance that materially impacts the financial statements.
- To report to you amounts in the financial statements that are subject to management's judgment as well as items, that by their nature, are significant accounting estimates.

Identification of Significant Risks

To plan effective audits, we must identify significant risks of misstatement in the financial statements and design procedures to address those risks. Identified risks include:

- Management override
- Appropriate valuation of investments, particularly the investments that do not have observable inputs, including level 3 investments and investments held at net asset value (NAV), including related unrealized gain/loss recognized.
- Total pension liability and Total OPEB liability and related inputs/assumptions:
  - Accuracy of participant census data and the assumptions underlying the determination of the total pension liability (GASB 67) and total OPEB liability (GASB 74)
  - Accuracy of active participant data and payroll information submitted to PERA by participating employers
- General Ledger Transition - effective 1/1/2027

As planning progresses and additional inquiries are made, additional significant risk areas may arise and will be communicated.

Response to Significant Risks

To address significant risks of material misstatement we plan to:

- Test journal entries recorded in the general ledger and other adjustments made in preparation of the financial statements
- Alternative investments:
  - Test controls over valuation of investments
  - Risk based substantive tests of the value recorded as of the balance sheet date using capital statements and audited financial statements
  - Improper revenue recognition – test of gains/losses associated with alternative investments
- For the total Pension and OPEB Liabilities:
  - Perform testing on key census data attributes, which includes attestation examinations and other procedures for attributes not included in attestation examinations
  - Analytical tests on census data including substantive testing of data outside expectations
  - Review and testing of actuarial valuation, including testing key assumptions and testing of the actuarial computed changes to the total pension/OPEB liabilities.
- General Ledger Transition:
  - Effective 1/1/2027 the System will transition general ledger systems to workday. While this doesn't directly impact the financial statements as of 12/31/2026, we will perform certain procedures around IT controls over the transition in the current year and review year end accruals to ensure transactions postings are not missed on the current year financial statements.

Internal Control and Materiality

Approach to Internal Control

- Narratives/Questionnaires
- Observation and inspection of procedures; walkthroughs on controls
- Effectiveness of PERA's Internal Controls for Financial Reporting, including investment valuation
- No opinion on effectiveness of internal controls

Materiality

- The concept of materiality is inherent in our work.
- We place greater emphasis on those items that have, on a relative basis, more importance to the financial statements and greater possibilities of material error than with those items of lesser importance, or those in which the possibility of material error is remote.

Coordination with Internal Audit

Throughout the audit process, the engagement team often coordinates with internal audit on a variety of matters and will frequently use work completed by the internal audit team to assist in the planning and risk assessment aspect of our audit.

The most significant areas related to the audit include:

- Reviewing internal audit reports performed for risks that should be incorporated into our audit procedures
- Use of those reports to reduce substantive testing, where and when appropriate
- Coordination and testing of the system transition



Accounting Standard Changes

Accounting Standards Changes

GASB Pronouncement	FYE 2026	FYE 2027	Potential Impact on PERA
GASB 103, Financial Reporting Model Improvements	X		Minor
GASB 104, Disclosure of Certain Capital Assets	X		Minor
GASB 105, Subsequent Events		X	Minor

Accounting Standards Changes – Current Year

GASB Statement No. 103, *Financial Reporting Model Improvements*

- **What is the scope and potential impact?**
  - Establishes new accounting and financial reporting requirements – or modifies existing requirements – related to the following applicable to PERA:
    - Management's discussion and analysis (MD&A)
    - Unusual or infrequent items
  - The GASB Implementation Guide includes interpretations and examples related to MD&A, unusual or infrequent items, and other reporting changes under the standard.
    - Implementation guidance 2026-1 was released on September 24, 2026. The exposure draft included various new questions and answers addressing transactions that have generated practical classification questions, including scholarships, research grants, passenger facility charges, and taxes imposed by business-type entities. The guidance will also clarify whether qualifying subsidies belong in the new noncapital subsidies section or elsewhere within nonoperating revenues and expenses. Although it is expected to be effective first for June 30, 2027 year-ends, early implementation is encouraged.
  - Management working on evaluation of the impact of this new standard
- **When is this effective?**
  - **PERA's Fiscal Year Ending December 31, 2026**

Accounting Standards Changes – Current Year
continued

GASB Statement No. 104, *Disclosure of Certain Capital Assets*

- **What is the scope and potential impact?**
  - Requires certain types of capital assets, such as lease assets, intangible right-to-use assets, subscription assets, and other intangible assets to be disclosed separately by major class of underlying asset in the capital assets note. The Statement also requires additional disclosures for capital assets held for sale.
  - Management working on evaluation of the impact of this new standard
- **When is this effective?**
  - **PERA's Fiscal Year Ending December 31, 2026**

Accounting Standards Changes – Next Year

GASB Statement No. 105, *Subsequent Events*

- **What is the scope and potential impact?**
  - Clarifies accounting/disclosure requirements for subsequent events.
  - Distinguishes between recognized/nonrecognized subsequent events
  - Requires disclosure of the date through which subsequent events were evaluated and certain significant nonrecognized events.
  - Management working on evaluation of the impact of this new standard
- **When is this effective?**
  - **PERA's Fiscal Year Ending December 31, 2027**

Questions?

We greatly appreciate the opportunity to serve the Public Employees Retirement Association of Colorado!

2026 Annual Comprehensive Financial Report (ACFR) Update

Catherine Maninger – Director of Accounting / Controller

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Agenda

ACFR Changes

- New Accounting Standard
- Actuarial Presentation
- Board-Requested Enhancements

ACFR Schedule



New Governmental Accounting Standards Board (GASB) Standards

GASB Statement No. 103, Financial Reporting Model Improvements

Key Changes Impacting PERA*

- Management's Discussion and Analysis (MD&A) has five required sections.
    1. Overview of the Financial Statements
    2. Financial Summary
    3. Detailed Analyses
    4. Significant Capital Asset and Long-Term Financing Activity
    5. Currently Known Facts, Decisions, or Conditions
- Increased focus on explaining what changed, why it changed, and the impact on PERA.

Changes Made to PERA's MD&A

- Updated section headers.
- Removed unnecessary narrative
- Contribution Deficiency/(Excess) and Projected Funding Periods moved to the forward-looking section.

*GASB 103 contains other reporting provisions that do not currently apply to PERA (e.g., unusual or infrequent items) which are not addressed in this presentation.

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New Governmental Accounting Standards Board (GASB) Standards

GASB Statement No. 104, Disclosure of Certain Capital Assets

Key Changes Impacting PERA

- Separately disclose certain leased, subscription-based, and other intangible capital assets.
- Add note disclosures for capital assets classified as held for sale.

Impact on PERA

- No changes needed.
  - PERA is a lessor, not a lessee.
  - GASB 94 (Public-Private and Public-Public Partnerships and Availability Payment Arrangements) does not apply to PERA.
  - Subscription assets are already disclosed in the Schedule of Capital Assets.
  - PERA does not have any additional right-to-use or intangible assets requiring separate disclosure.

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Actuarial Changes

Investment Rate of Return Sensitivity / Projected Funding Periods

Section: Letter of Transmittal

- Remove the School Division Trust Fund sensitivity table from the Letter of Transmittal (LOT).
- Retain Projected Funding Periods as a standalone section.
- Create a new Investment Rate of Return Sensitivity section.
- Refer to detailed sensitivity disclosures in the Actuarial Section and actuarial reports.

Retirement Eligibility Tables

Section: Financial Notes

- Simplify retirement eligibility tables in Note 1 of the Financial Notes by removing duplicative eligibility provisions to improve readability and user understanding.

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Actuarial Changes

Analysis of Financial Experience & Schedule of Gains and Losses

Section: Actuarial

- Redesign Pension and OPEB experience analysis tables to improve alignment, enhance visibility of gain/loss drivers, and better illustrate changes in UAAL during the year.

Projected Funding Period Reconciliation

Section: Actuarial

- Add a new Projected Funding Period Reconciliation schedule to provide greater transparency into year-over-year changes in projected funding periods and the impact of key contributing factors.

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Actuarial Changes

Automatic Adjustment Provision (AAP)

Section: Actuarial

- Replace narrative disclosure with a summary table to simplify the presentation and improve readability and understanding of the AAP provisions.

Member and Benefit Recipient Statistics

Section: Actuarial

- Add member and benefit recipient totals to improve transparency and align with Note 1 membership disclosures.

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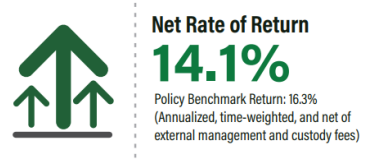
Board Requested Changes

- Add policy benchmark return alongside net rate of return
  - Revising 2026 ACFR



- Show how the total fund has performed relative to policy benchmarks and assumed rates of return over the past 30 years, not over just the 10-year period.
  - Add the 30-year policy benchmark comparison in 2035 when sufficient benchmark history is available.
- Show how PERA total fund has performed relative to 190 public pension funds since inception going back last 30 years
  - Include longer-term peer median returns provided by Aon in the Chief Investment Officer letter when sufficient peer data is available to support a meaningful comparison.



Board Requested Changes

- Compare PERA's 30-year Total Fund performance to historical assumed rates of return.
  - Decline request to compare actual returns to historical assumed rates of return.
    - Historical assumed rates reflect Board policy decisions, funding objectives, and capital market expectations, not investment performance benchmarks.
    - Converting multiple historical assumptions into a single average does not create a valid benchmark.
    - For example, two pension plans could both earn an 8.0% 30-year return yet appear to have different levels of outperformance or underperformance solely because their Boards adopted different assumed rates at different points in time.
    - Actual 30-year investment returns remain the most meaningful measure of long-term investment performance.

ACFR Schedule

19 Nov. 2026

Audit Committee; overview of expected changes to ACFR and schedule

18 Mar. 2027

Audit Committee meeting; overview of expected changes to ACFR

19 May 2027

ACFR draft to the Audit Committee, Board, Plante Moran, and Office of the State Auditor (OSA)

25 May 2027

Workiva review comment deadline for the Audit Committee, Board, Plante Moran, and OSA

8 June 2027

Special Audit Committee meeting; discuss open comments on the draft ACFR

14 June 2027

Final ACFR draft posted to Boardvantage in advance of June Board Meeting

24 June 2027

Audit Committee meeting; recommend ACFR release to Board

25 June 2027

Board Meeting; ACFR posted on PERA website by 5 p.m. assuming release authorized

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Thank you!

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Internal Audit (IA) Risk Assessment and Proposed 2027 Audit Plan

Jason Orvin
Interim Audit Leader
November 19, 2026

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Objectives

- Fulfill the requirements of the Audit Committee section of the Governance Manual by conducting a risk assessment that informs development of the Internal Audit Plan for the coming year.
- Present the risk assessment and resulting audit plan to the Audit Committee of the Board of Trustees for review and approval.

Why Risk Assessment?

Required by the Global International Standards for the Professional Practice of Internal Auditing from the Institute of Internal Auditors (IIA):

» **Standard 9.4 – Internal Audit Plan requires:**

- The chief audit executive (CAE) must create an internal audit plan that supports the achievement of the organization's objectives.
- The CAE must base the internal audit plan on a **documented assessment of the organization's strategies, objectives, and risks.** This assessment must be **informed by input from the board and senior management** as well as the CAE's understanding of the organization's governance, risk management, and control processes.
- The assessment must be **performed at least annually**, be **dynamic** and **updated timely** in response to **changes** in the **organization**'s business, risk operations, programs, systems, controls, and organizational culture.

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Why Risk Assessment?
(continued)

Responsibility under the Audit Committee Charter. The Audit Committee will:

- *"Review the Chief Audit Executive's risk assessment report for the development of the internal audit plan."*
- *"With the input of the Chief Officer/Executive Director, review and approve the Chief Audit Executive's annual internal audit plan and budget…"*

Responsibility under the IA Division Charter. The Chief Audit Executive will:

- *"Submit, at least annually, to the executive team and the Audit Committee a flexible, risk-based internal audit plan for review and approval that is prepared in accordance with industry best practices and standards."*



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Risk Assessment and Audit Planning Process

Information Gathering and Scoping

- Reviewed historical audit coverage
- Gained understanding of industry trends and business sector risks
- Reviewed PERA's Strategic Plan Objectives
- Updated the Audit Universe, including documentation of organization's processes, risks, and controls

Risk Analysis

- Surveyed Members of the Board of Trustees
- Surveyed PERA Leadership
- Assessed significant changes throughout the organization
- Reviewed management's risk assessment of key processes
- Conducted IA risk assessment of key processes

Developing and Vetting Proposed Audit Plan

- Developed draft audit plan based on information gathering and risk analysis
- Shared draft risk assessment and audit plan with Chief Officers and Directors
- Shared draft risk assessment and audit plan with Outside Audit Committee Members and Chair of the Audit Committee
- Incorporated feedback

Obtain Approval of the Audit Committee

- Present to Audit Committee of the Board of Trustees the results of the risk assessment and audit plan development process
- Discuss the draft Audit Plan with the Audit Committee of the Board
- Request Audit Committee approval of the Audit Plan

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Information Gathering and Scoping

Update the Audit Universe

- Refresh Documentation of Business Entity's processes, risks and controls, as well as review of key controls and fraud controls

Facilitated Management Risk Assessment

- Worked with management to update their understanding of how to assess inherent risk in their processes and the effectiveness of controls to mitigate identified risks
- Asked management to review risk scoring of all processes, risks and controls
- Compiled management risk assessment for use in IA's Risk Assessment process

Reviewed Prior Audit Coverage and Industry Best Practice

- Reviewed audits completed over past three- to five-year-period and outcome of audits
- Gained understanding of industry trends and business sector risks
- Reviewed PERA's Strategic Plan Objectives

Risk Analysis:
Risk Assessment Surveys

Survey of the Members of the Board of Trustees to obtain:

- Input on areas of risk from board perspective
- Input on audit topics of interest to include in the Audit Plan

Survey of PERA Leadership to obtain:

- Areas of risk from management perspective
- Input on audit topics of interest to include in the Audit Plan
- Information on major changes that have occurred across the organization
- Information on major changes planned

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Survey Results – Top 5 Risks Identified

Board of Trustees:

- Funded status, market and assumption risk
- Cybersecurity
- Political, Legislative risk
- Legacy Technology / Technical Debt
- IT Modernization / Change Management / Change Exhaustion

Management:

- Funded status, market and assumption risk
- IT Modernization / Change Management / Change Exhaustion
- Legacy Technology / Technical Debt
- Cybersecurity
- Political, Legislative risk

The Survey Participation rate this year was 67% of Management and 67% of the Board

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Survey Results – Top 5 Risks Identified

Management

- Funded status, market and assumption risk
- IT Modernization / Change Management / Change Exhaustion
- Legacy Technology / Technical Debt
- Cybersecurity
- Political, Legislative risk

Division-Level Focus:

- Legacy Technology / Technical Debt
- Recruitment & Retention
- Cybersecurity
- Leadership Continuity / Succession Planning
- IT Modernization / Change Management / Change Exhaustion

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Risk Analysis:
Risk and Control Assessment

Review Management Assessment of Risk

- Reviewed management's assessment of risk and controls for key processes

Independent Risk Assessment

- IA conducted independent review of risk scoring and control effectiveness scoring for all major processes and auditable entities

Compile Overall Risk Profile

- Compiled management and IA risk assessment scores to develop overall risk profile, by entity and process (See Exhibit B)

Overall Risk Ratings

We ask management to assess risks associated with their business processes based on three factors:
Likelihood, Severity/Impact, Effectiveness of controls to mitigate risk

1 - Low
The activity is stable, straightforward, and supported by strong, reliable controls. Any errors would have minimal stakeholder impact,.

2 - Medium
The activity presents a moderate level of risk due to its complexity, stakeholder impact, or reliance on technology. Controls are generally effective with only minor improvement opportunities. Risks are generally localized and manageable.

3 - Medium-High
The activity presents elevated risk due to increasing complexity, organizational change, stakeholder exposure, or technology dependence. Issues could result in noticeable operational impacts or stakeholder concerns if risks are not effectively managed and mitigated.

4 - High
The activity faces significant risk due its complexity, scale, rate of change, or potential impact on stakeholders and operations. Material control gaps or recurring control issues may exist. Risk events could lead to major service disruptions, compliance concerns, financial consequences, or reputational damage

5 - Critical
The activity presents a critical level of risk due to substantial uncertainty, complexity, stakeholder impact, reliance on mission-critical technology, or controls that are ineffective or unreliable. Risk events could severely disrupt operations, impair benefit administration or investment activities, compromise sensitive information, or significantly damage stakeholder confidence if not effectively mitigated.

Developing the Plan

Factors considered in selecting entities and processes to include in the plan:

- Overall Risk rating
- Input from management and the Audit Committee
- Significant changes in systems or processes; recently completed or expected to be implemented soon
- The time since the process area was last audited and the results
- Anticipated coverage through other monitoring/compliance functions and external audits for the coming year
- Available resources

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Overview of the Audit Plan



Summary of Audit Plan Coverage by:

- Risk and Strategic Importance
- Business Area
- Type of Project
- Percentage of Key Controls, Fraud Controls, and All Controls Covered

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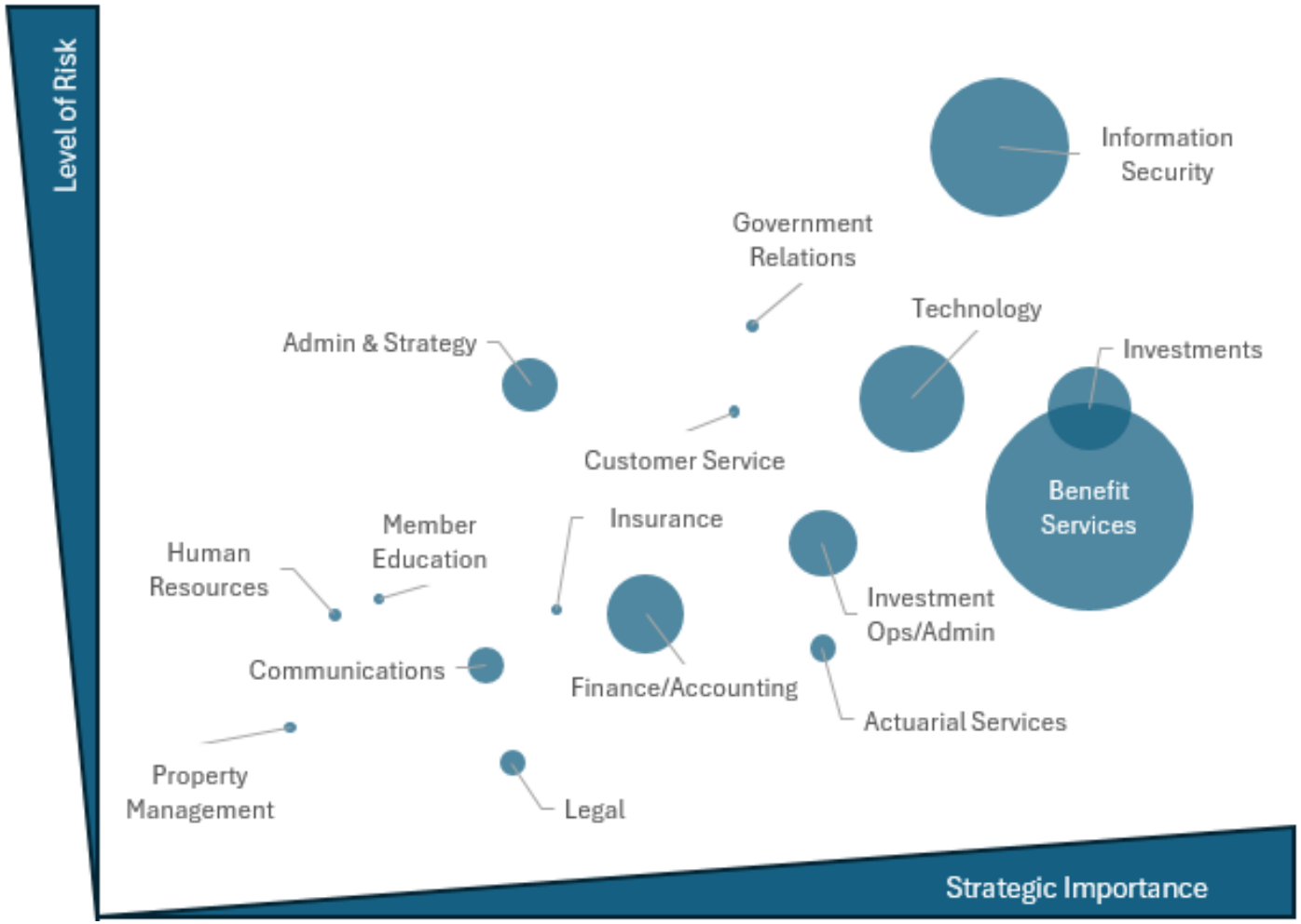
2027 Audit Plan Coverage by Risk and Strategic Importance



Bubble size represents the estimated allocation of total audit hours for assurance, advisory, and monitoring projects in 2027 Audit Plan.

See Exhibit E for additional information on this slide.

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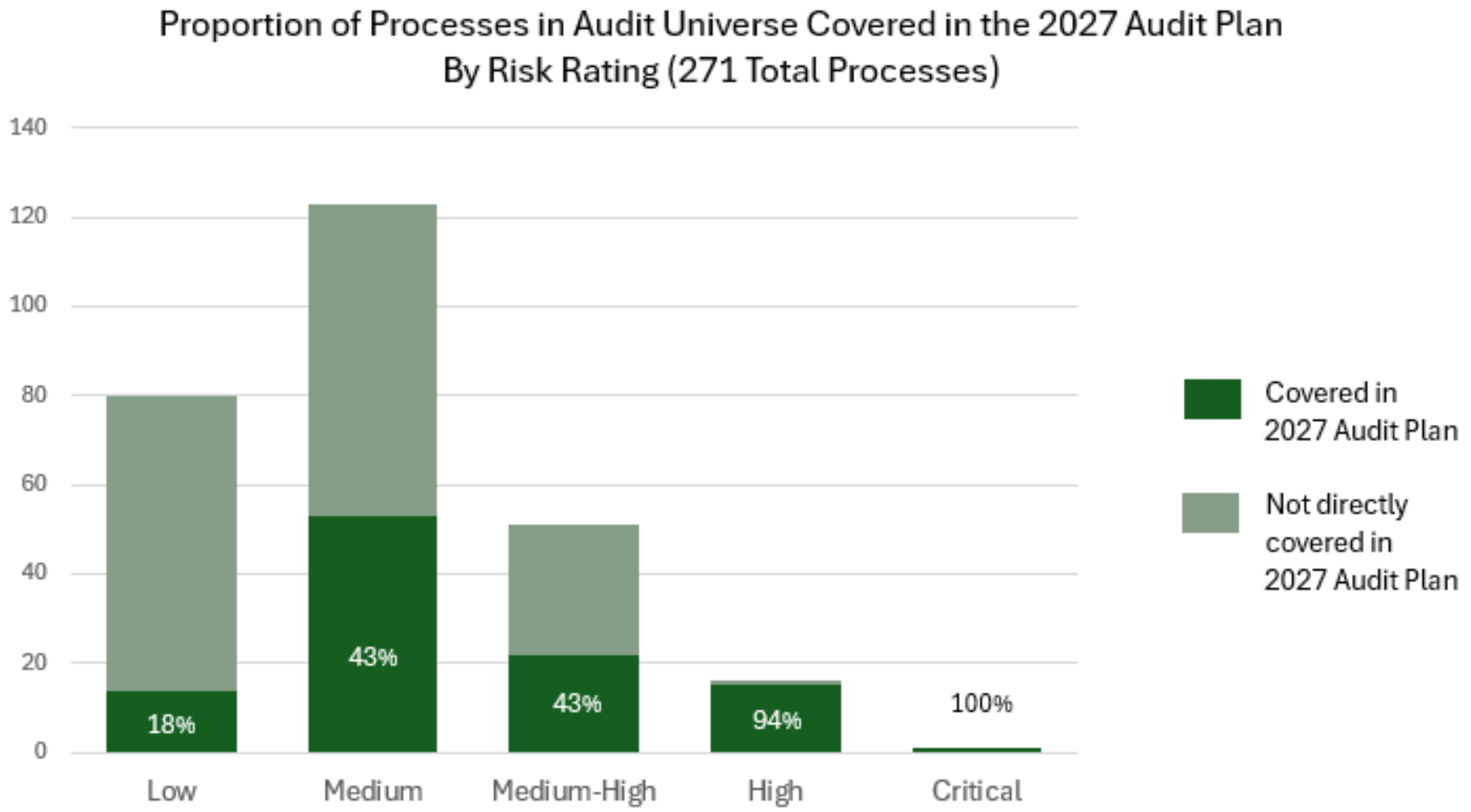
2027 Audit Plan Coverage of Processes by Risk



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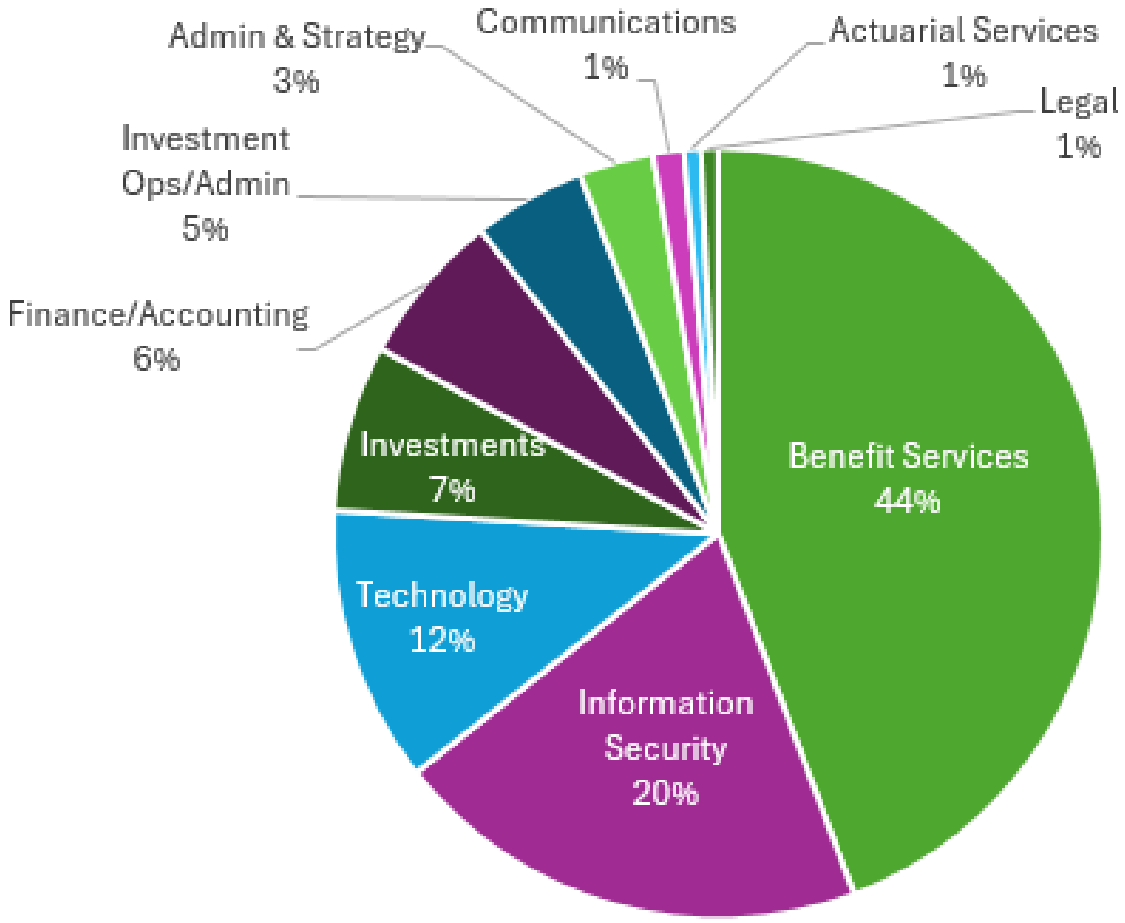
2027 Audit Plan Coverage by Business Area*



** Based on planned hours for assurance, advisory, and control monitoring projects.*

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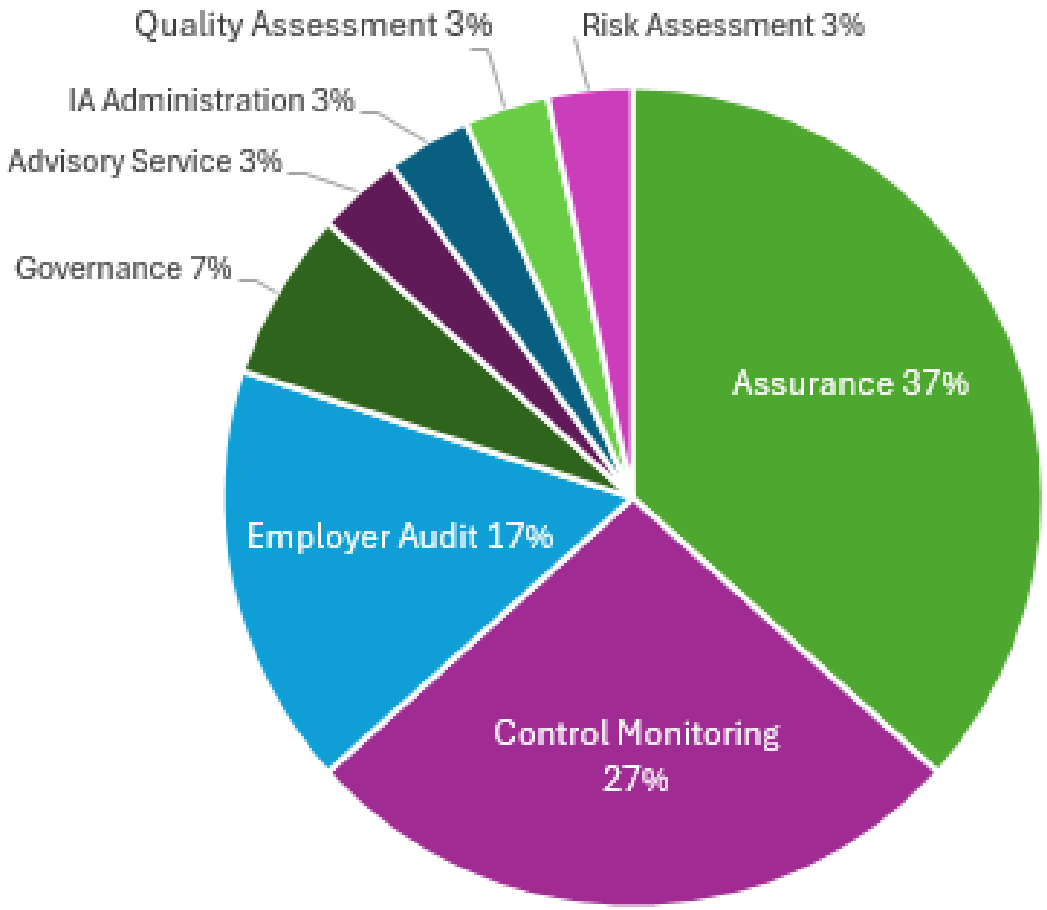
2027 Audit Plan Coverage by Project Type*



** Based on the number of planned projects.*

Questions

Internal Audit (IA) Proposed Operating Budget 2027

Jason Orvin
Interim Audit Leader
November 19, 2026

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Audit Committee Approves Internal Audit Budget

The Audit Committee Charter in the Governance Manual, Section 10, parts h) and n), require the Audit Committee to:

h) With the input of the Chief Executive Officer/Executive Director, review and approve the Chief Audit Executives annual internal audit plan and budget and any significant revisions to them;

n) Review, at least annually, the adequacy of resources made available to the Chief Audit Executive, including staffing, compensation, and operating budgets, necessary for fulfilling the mandate within the Internal Audit division;



2027 Internal Audit Proposed Budget

Budget Category	2026 Annualized Budget	Proposed Revisions	2027 Proposed Budget	% Change	Description of Requested Revision
Personnel Services	$1,825,954	$312,416	$2,138,370	17.1%	• Includes 1 new FTE for IT Audits • Incorporates changes in the cost of benefits, salary market adjustments, merit pay increases, as included in the PERA budgets.
Professional and Technical Services	$220,800	($39,900)	$180,900	(18.1%)	• For 2027, this supports an External Quality Assessment and a Cybersecurity Penetration Test
Travel and Dues	$46,840	($18,000)	$28,840	(38.4%)	• Decreased travel cost as we are hosting a conference in Denver
Supplies/Materials	$825	($125)	$700	(15.2%)	• Small decrease to reflect actual expenditures.
Total	**$2,093,419**	**$255,391**	**$2,348,810**	**12.2%**	

Appendix

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2026 Internal Audit Budget Change Details

Budget Category	2026 Budget	2026 June Revision	2026 Budget Revised	2026 Annualized Budget	Description of Requested Revision
Personnel Services	$1,551,096	$136,929	$1,688,025	$1,825,954	• 1 New FTE Senior Auditor
Professional and Technical Services	$220,800	-	-	$220,800	• No change
Regular Travel and Dues	$46,840	-	-	$46,840	• No change
Supplies and Materials	$825	-	-	$825	• No change
Total	**$1,819,561**	**$136,929**	**$1,956,490**	**$2,093,419**	

Internal Audit Activity Update

November 19, 2026

Jason Orvin, Interim Audit Leader



Agenda

- Projects recently completed and in progress
- Progress toward completion of audit plans
- Highlight of projects completed
- Ethics Helpline update

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Projects Recently Completed and In Progress

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Audits Recently Completed*

	Project Name	Business Group	Overall Risk Rating	Report Status	Number of Recs
Assurance Projects	IAM Diagnostic	Information Systems	High	Issued	6
	IT Asset Management	Information Systems	High	Draft	0
	Post-Unitization Accounting for Equities	Accounting	Medium	Issued	0
	DPS Calculations	Benefit Services	Medium	Issued	0
	Investment Incentive Pay Program	Investments / HR	Medium	Issued	1
	Equity Unitization Post-Implementation Review	Investments Operations	Medium	Draft	0
Employer Audits	Jefferson County School District	Benefit Services-Employers	Medium	Issued	3
	North Conejos School District	Benefit Services-Employers	Medium	Issued	6

Two high-risk and six medium-risk audits have been completed since June.

Six reports have been issued, and two are in draft stage.

*Projects completed since the June Audit Committee meeting as of October 30, 2026.

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Other Projects Recently Completed*

One risk assessment and one quality assurance project have been completed since June.

	Project Name	Status
RISK ASSESSMENT & QUALITY ASSURANCE PROJECTS	Annual Risk Assessment & Audit Plan	Pending Approval
	IA Quality Self-Assessment	Complete

*Projects completed since the June Audit Committee meeting as of October 30, 2026.



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Audits Currently In Progress

Five audits are actively underway — including two high-risk IT engagements.

	Project Name	Business Group	Overall Risk Rating
Assurance Projects	Workday Pre-Implementation Audit	Information Systems	High
	Investments IT General Controls	Information Systems	High
	Operational Cash Management	Accounting	Low
Employer Audits	Alamosa School District	Benefit Services-Employers	Medium
	Western State University	Benefit Services-Employers	Medium

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Progress Towards Completion of Audit Plans

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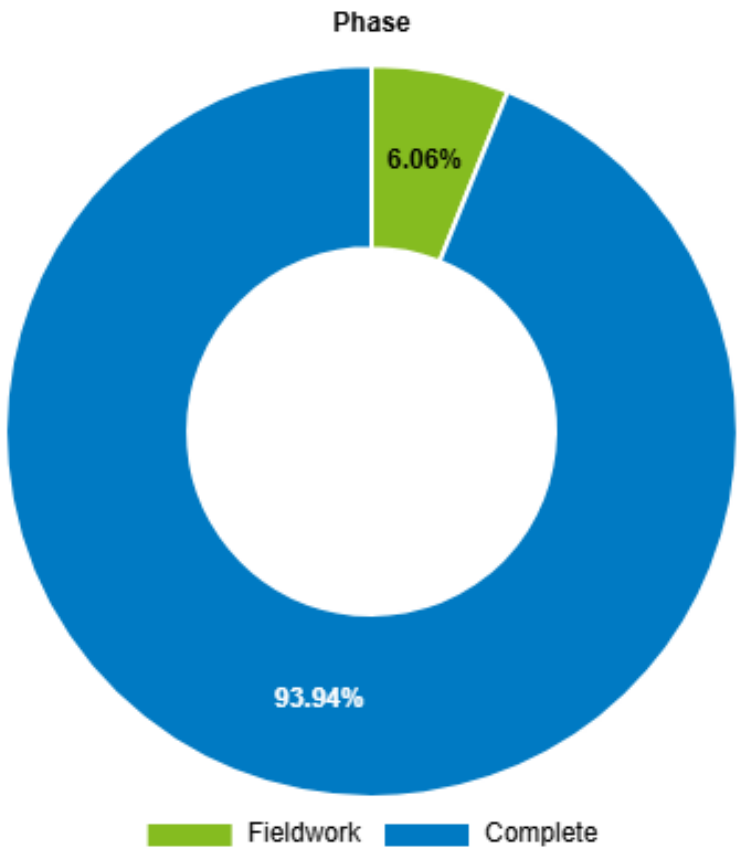
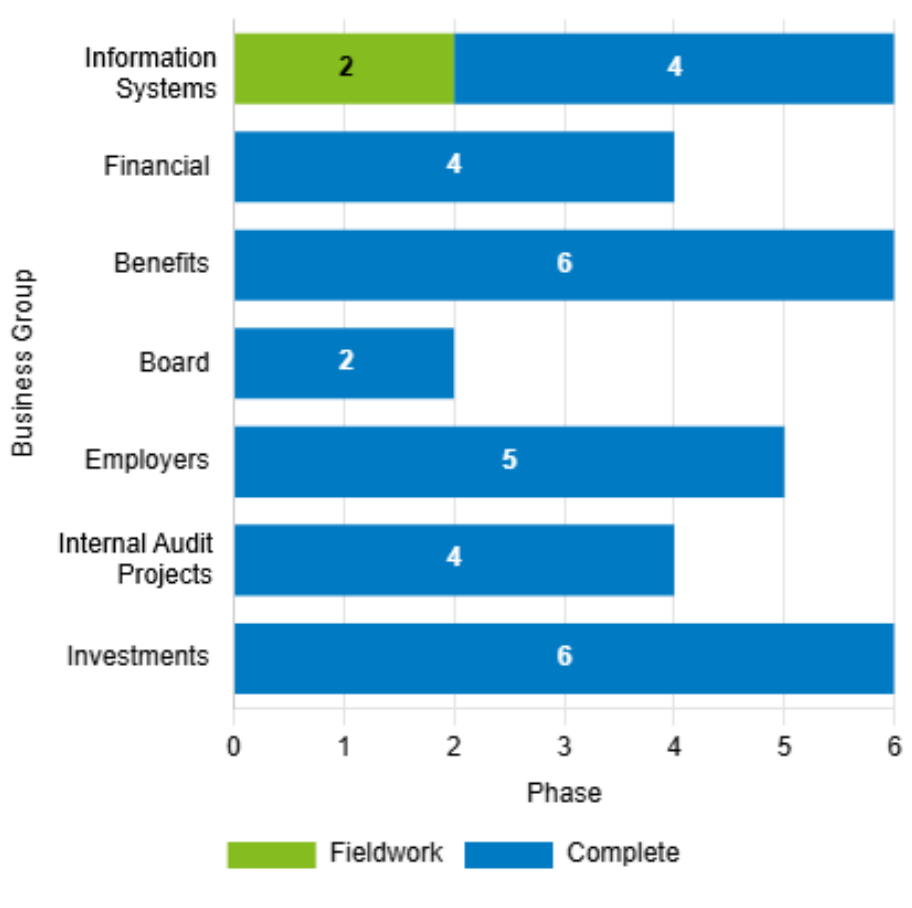
2025 Audit Plan Status

2025 Audit Plan is 94% complete with remaining work concentrated in information systems.

Plan Status



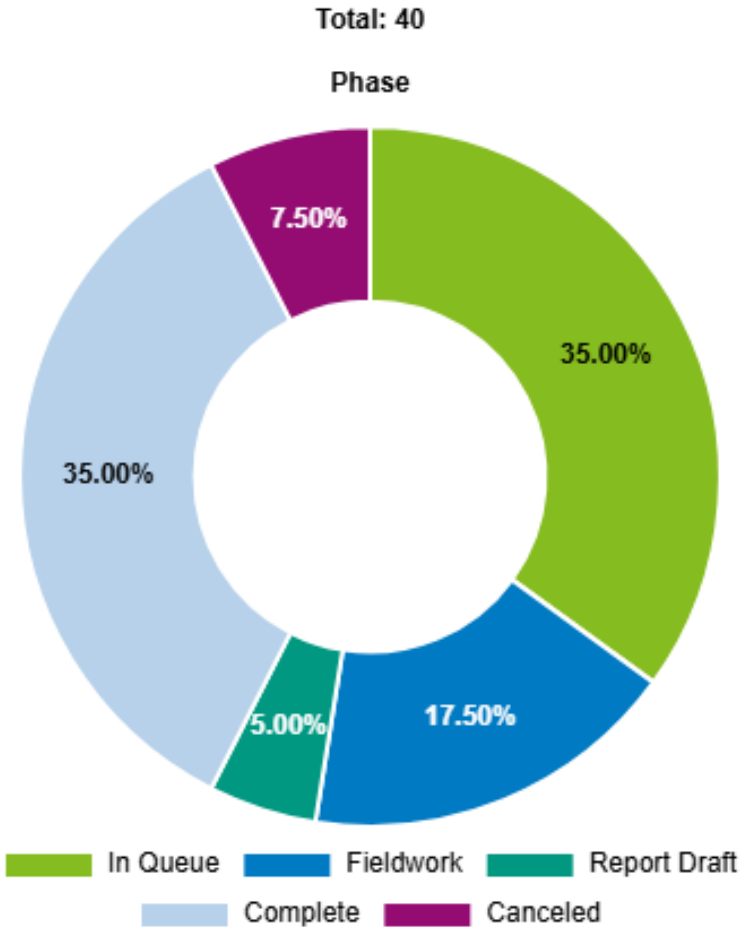
Status by Business Group



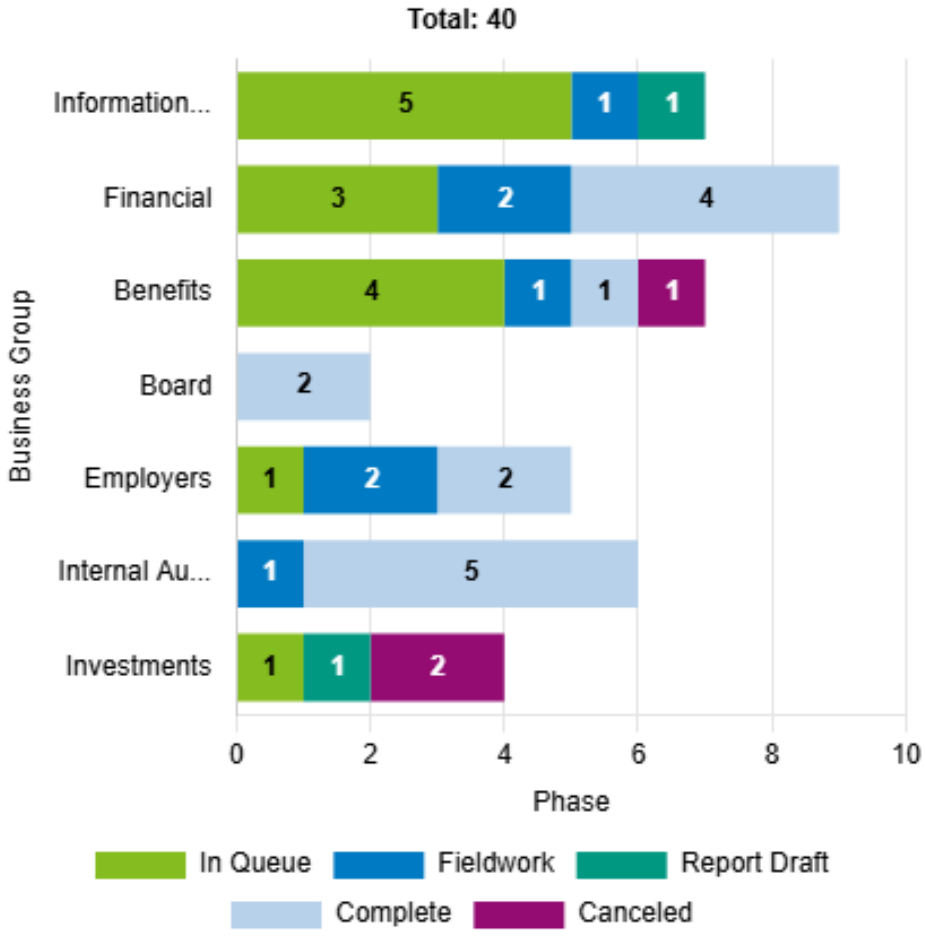
2026 Audit Plan Status

Focus for coming months is on completing in-flight projects and launching remaining projects in queue.

Plan Status

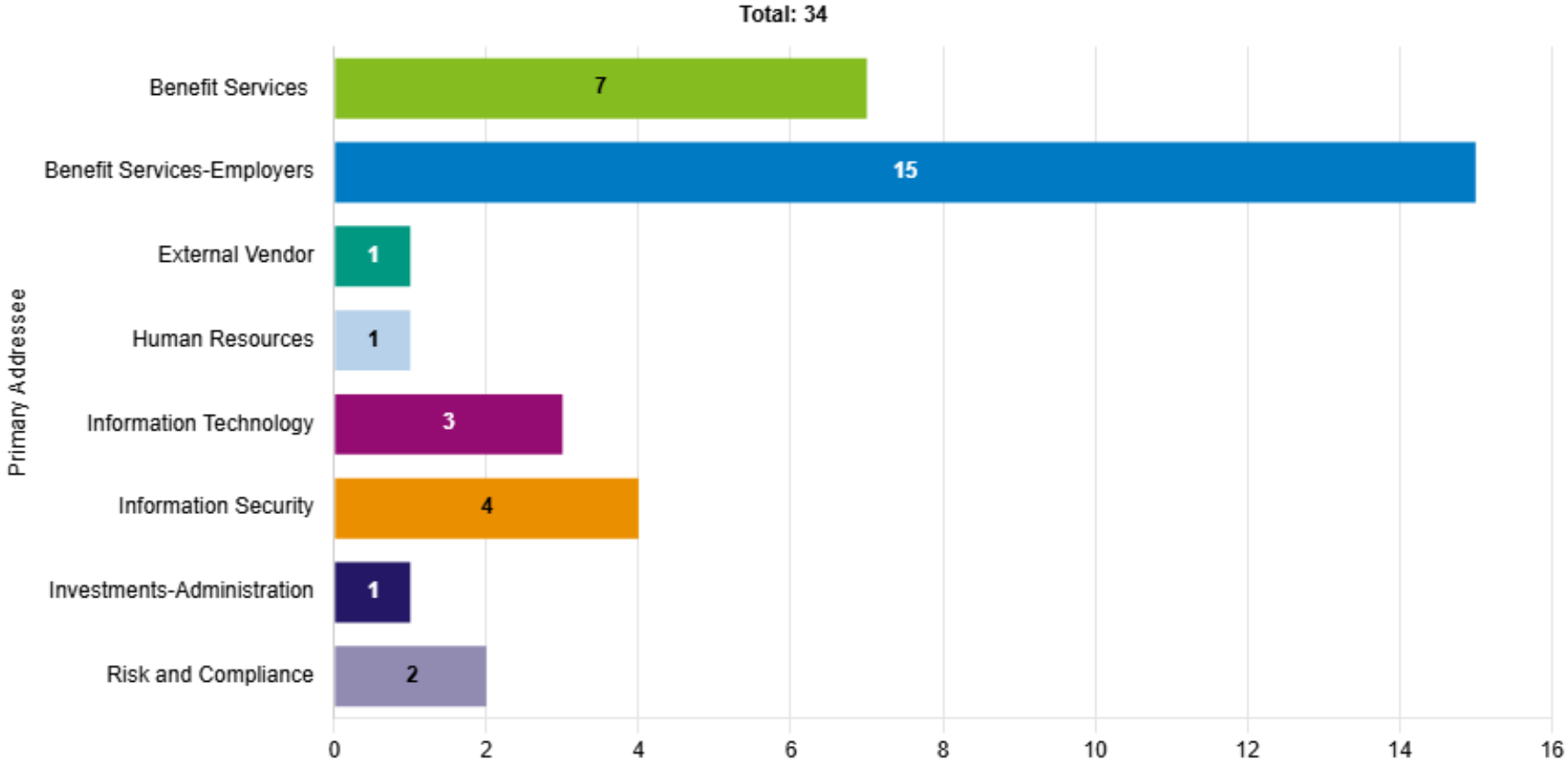


Status by Business Group

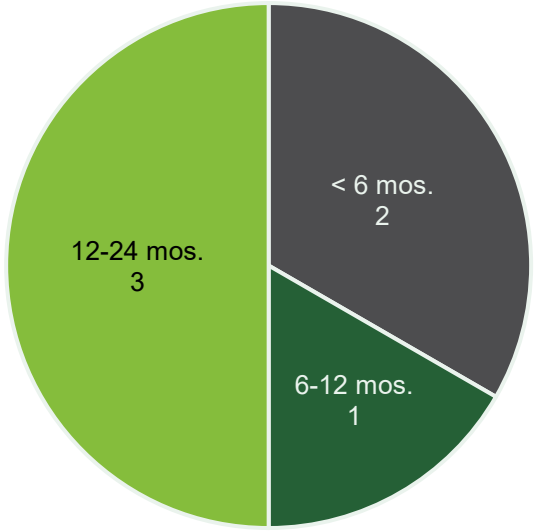


Outstanding Recommendations

34 recommendations remain outstanding, with 6 past due — focus continues on Benefit Services and Employer Audits.



6 Past-Due Recommendations Grouped by Length of Time from Original to Revised Due Date



See Exhibit G Outstanding Recommendations Listing

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Highlight of Projects Completed

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IAM Diagnostic

Audit Rating: Requires Improvement. Controls are effective, with opportunities to strengthen vendor oversight.

- **Why it matters:** Identity and Access Management (IAM) limits access to systems, applications, and sensitive data to authorized and appropriate users. This reduces the risk of fraud, data breaches, and unauthorized activity.
- **Objective:** Evaluate the effectiveness of user provisioning, access reviews, and segregation of duties controls to support security, compliance, and overall governance.
- **Scope & method:** This audit covered July 2024 through June 2025 with certain procedures covering through June 2026. We evaluated 13 specific controls including testing design and operating effectiveness.
- **Recommendations:** We recommended six distinct remediations to specific findings. These included policy updates, improved system inventories, and improvements in design and operation of periodic access reviews.

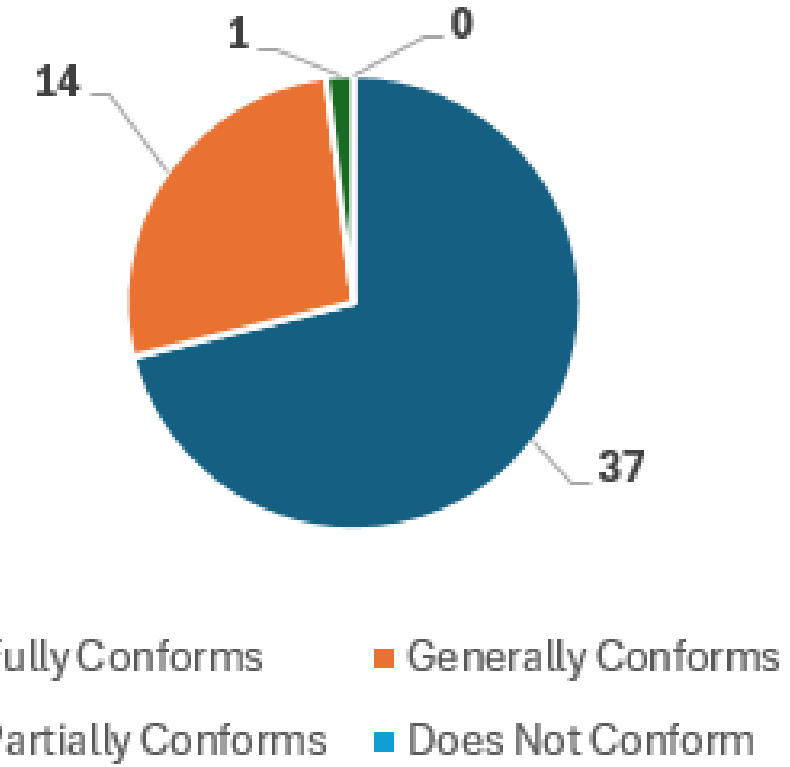
COLORADO PERA®

IA Quality Self-Assessment

Work Performed

- Stakeholder surveys and interviews
- Self-evaluation against 52 standards
- Audit of audits performed to evaluate conformance to standards

Results:



COLORADO PERA



Ethics Helpline Update

There have been no submissions to the Ethics Helpline to act on since the last Audit Committee meeting in June.

Staff are reminded annually how to access the helpline.

Internal Audit (IA) Committee Charter Review

Jason Orvin
Interim Audit Leader
November 19, 2026

COLORADO PERA®



Charter Review

- The charter was last updated in June 2025 with significant revisions to address updated Institute of Internal Auditors (IIA) guidance
- Recommending increased review cadence to annual



Introduction

1. The Board established the Audit Committee to assist the Board in fulfilling its fiduciary responsibilities as they relate to accounting policies and financial reporting, the system of internal controls, the Standards of Professional and Ethical Conduct, the internal audit process, and the practices of the Chief Audit Executive.
2. The Audit Committee shall be comprised of not fewer than five Trustees, and at least one and no more than two Outside Members, as defined in section 8 through 14 of this charter.
3. The Audit Committee supports, empowers, and promotes the Internal Audit Division's ability to provide the Board and PERA management with independent, risk-based, and objective assurance, advice, insight, and foresight in conformance with Global Internal Audit Standards promulgated by The Institute of Internal Auditors.

Authority

4. To conduct or authorize investigations into any matters within its scope of responsibility.
5. To engage outside members, external consultants, and external advisors as needed to fulfill its responsibilities, unless approval by the Board is otherwise required.

Duties and Responsibilities

General

6. The Audit Committee will:
    a. Facilitate communication between the Board, the Independent Auditor, the Chief Audit Executive and Management concerning audit issues;
    b. Review the findings or comments of any regulatory agencies, external consultants, and external auditors concerning financial information or internal controls of PERA;
    c. Review any changes in accounting practices or policies, and the financial impact thereof, and review any accruals, provisions, estimates or management programs and policies that may have a material impact on the financial statements of PERA.
    d. Review and approve meeting minutes;
    e. Report to the Board on its activities after each meeting; and
    f. Submit an annual report of the Committee's activities to the Board.

Duties and Responsibilities

Meetings

7. The Audit Committee will meet at least three times per year; and
   a. At least annually, the Audit Committee Chair will meet separately with each of the following parties, without other members of PERA management present:
   b. The Chief Executive Officer/Executive Director;
   c. The Chief Audit Executive;
   d. The Independent Auditor; and
   e. The Controller.
   f. The Audit Committee Chair will report to the rest of the Committee, during a Committee meeting, key information from these meetings.
   g. The Audit Committee will ensure that the Chief Audit Executive has unrestricted access to each member of the Audit Committee, and each member of the Audit Committee has unrestricted access to the Chief Audit Executive without management present, to fulfill their respective duties;

The Audit Committee will also meet in Closed Executive Session at least annually with the General Counsel for the purposes of receiving legal advice on specific legal questions.

Duties and Responsibilities

Policies and Internal Controls

8. While management has the responsibility to establish the system of internal control, the Audit Committee will, in consultation with the Executive Director:

   a. Oversee that appropriate accounting policies are in place;

   b. Review the design and effectiveness of PERA's internal controls;

   c. Meet at least annually with the Chief Audit Executive and PERA management to discuss the effectiveness of PERA's internal financial controls, and internal control and risk management systems (including systems for ensuring compliance with applicable laws, regulations, policies, and contracts);

   d. Periodically review the Standards of Professional and Ethical Conduct and recommend changes to the Board;

   e. Ensure that PERA has adequate policies or procedures in place for monitoring employee reporting of any conduct or transaction that may be in violation of the Standards of Professional and Ethical Conduct; and

   f. Review Trustee and employee compliance with their respective Standards of Professional and Ethical Conduct.

Duties and Responsibilities

Independent Audit

9. With respect to the independent auditor chosen by the State Auditor pursuant to C.R.S. § 2-3-103 (the "Independent Auditor'), the Audit Committee will:

   a. Meet with the State Auditor, if requested, regarding the selection of the Independent Auditor;

   b. Review information or reports provided by the State Auditor's Office, other regulatory agencies, or independent accountants or auditors concerning the Independent Auditor or issues pertaining to the Independent Auditor's quality control or independence;

   c. Meet with the Independent Auditor and the Controller to discuss PERA's ACFR, the Independent Auditor's report and management's response thereto prior to their release to the public; and

   d. Recommend the ACFR to the Board for approval. (Note: as the independent audit is commissioned by the State Auditor, the Board does not approve the audit of the financial statements.)

Duties and Responsibilities
Internal Audit Division

10. The Audit Committee will:

    a. Review and approve criteria for the selection of the Chief Audit Executive based upon the Audit Committee members' knowledge of the organization and its needs and recommendations from the Chief Executive Officer/Executive Director;

    b. Interview finalists, select and appoint the Chief Audit Executive who will report to the Audit Committee and work under the administrative supervision of the Chief Executive Officer/Executive Director;

    c. Set the compensation and any changes thereto of the Chief Audit Executive, incorporating feedback from the Executive Director;

    d. Upon consideration of such request by the Chief Executive Officer/Executive Director, or if otherwise necessary, terminate the Chief Audit Executive and notify the Board of its actions;

    e. At least every five years, review and approve the charter for the Internal Audit Division which must include a mandate from the Audit Committee that specifies the Internal Audit Division's authority, role and responsibilities;

    f. Review and approve any revisions to the charter for the Internal Audit Division recommended by the Chief Audit Executive;

    g. Review the Chief Audit Executive's risk assessment report for the development of the internal audit plan;

Duties and Responsibilities
Internal Audit Division (cont.)

h. With the input of the Chief Executive Officer/Executive Director, review and approve the Chief Audit Executive's annual internal audit plan and budget and any significant revisions to them;

i. Fulfill duties and receive reports consistent with the Ethics Line Oversight and Governance Policy;

j. Receive progress reports on internal audit activities in relation to the annual internal audit plan;

k. Review with management and the Chief Audit Executive:

   i. Internal Audit reports and management's responses thereto; and

   ii. Any changes required in the scope of internal audits;

l. Annually provide input into the Chief Executive Officer/Executive Director's annual performance evaluation of the Chief Audit Executive;

m. Ensure the Chief Audit Executive's unrestricted access to the data, records, information, personnel, and physical properties necessary to fulfill the internal audit mandate;

n. Review, at least annually, the adequacy of resources made available to the Chief Audit Executive, including staffing, compensation, and operating budgets, necessary for fulfilling the mandate within the Internal Audit Division charter and achieving the internal audit plan;

o. Review the independence and effectiveness of the Internal Audit Division's operations, including compliance with Global Internal Audit Standards;

Duties and Responsibilities

Internal Audit Division (cont.)

n. Review, at least annually, the adequacy of resources made available to the Chief Audit Executive, including staffing, compensation, and operating budgets, necessary for fulfilling the mandate within the Internal Audit Division charter and achieving the internal audit plan;

o. Review the independence and effectiveness of the Internal Audit Division's operations, including compliance with Global Internal Audit Standards;

p. Review the Chief Audit Executive's strategy for the Internal Audit Division to ensure that it supports PERA's strategic objectives.

q. Review and approve the Internal Audit Division's performance objectives at least annually;

r. Meet annually with the Chief Audit Executive to discuss and consider the results of internal quality assessments of conformance with the Global Internal Audit Standards and progress toward performance objectives;

s. At least every five years, review and approve the Chief Audit Executive's plan for the performance of an external quality assessment in accordance with the Global Internal Audit Standards;

t. Review and approve the Chief Audit Executive's plans to address any deficiencies arising from the external quality assessment, including a timeline for completion of action plans.

Duties and Responsibilities
Internal Audit Division (cont.)

11. The Audit Committee will:
    a. Recommend to the Audit Committee selection criteria for the Chief Audit Executive role;
    b. Recommend to the Audit Committee the Chief Audit Executive's job description and compensation;
    c. Request from the Audit Committee input into the Chief Executive Officer/Executive Director's annual performance evaluation of the Chief Audit Executive;
    d. If necessary, request that the Audit Committee consider termination of the Chief Audit Executive; and
    e. If requested by the Audit Committee, provide input on the Chief Audit Executive's internal audit plan and budget.

Duties and Responsibilities

Outside Members

12. The Audit Committee will:

    a. Recommend to the Compensation and Budget Committee the annual compensation of Outside Members, for inclusion in the Budget; and

    b. Annually evaluate the Outside Members, and annually review their appointment(s) with the Board.

13. The Outside Members will:

    a. Be independent of the Board, management, PERA service providers, and the Independent Auditor, and free from any relationship that would interfere with their ability to exercise independent judgment on accounting, disclosure, audit, and financial-related matters;

    b. Be appointed by the Board upon the recommendation of the Audit Committee;

    c. Serve at the pleasure of the Board;

    d. Enter into an annual contract with PERA, the form of which is to be approved by the Audit Committee and the General Counsel;

    e. Be non-voting members of the Audit Committee;

    f. Acknowledge in writing their status as fiduciaries to PERA, PERA Participants and their agreement to abide by the Board's Standards of Professional and Ethical Conduct.

14. Any individual under consideration to serve as an Outside Member or while serving as an Outside Member shall immediately bring to the attention of the Audit Committee, any facts and circumstances that could cause a reasonable person with knowledge of all the facts, to question whether they are or can be considered independent.

Duties and Responsibilities

Charter Review and History

15. This charter will be reviewed at least every five years.
16. The Board adopted this charter on November 16, 2001.The Board approved changes to this charter on April 16, 2004, February 18, 2005, February 10,2006, February 16, 2007, March 20, 2009, July 1, 2012, January 17, 2014, November 20, 2015, January 1, 2020, January 1, 2022, and on June 27, 2025.

Exhibit A – Draft Agenda

Audit Committee Meeting

Raymond “Doc” Heath Memorial Boardroom
1301 Pennsylvania Street
Denver, CO

Thursday March 25, 2027
Time: TBD

All times are approximate and for reference only. Items designated for Information are appropriate for Action if the Board wishes to take action.

1. **Approval of Consent Agenda**
   (Governance Item) Action
   Presented by: Timothy M. O’Brien, Chairman, Audit Committee
   a. **March 25, 2027, Audit Committee Meeting Agenda**
   b. **November 19, 2026, Audit Committee Meeting Minutes**

2. **Chair Report on Chief Audit Executive Meeting**
   (Governance Item) Information
   Presented by: Timothy M. O’Brien, Chairman, Audit Committee

3. **Colorado PERA 2026 Financial Audit Update**
   (Governance Item) Information
   Presented by: Marisa Edwards, Deputy State Auditor, Office of the State Auditor; Amanda Cronk, Principal, CPA, Plante Moran; Michelle Watterworth, Partner, CPA, Plante Moran; Jean Young, Partner, CPA, Plante Moran
   a. **Colorado PERA 2026 Financial Audit Plan Presentation**

4. **Colorado PERA Annual Comprehensive Report (ACFR) Update**
   (Governance Item) Information
   Presented by: Catherine Maninger, PERA Director of Accounting/Controller
   a. **Colorado PERA Annual Comprehensive Report (ACFR) Update Presentation**

5. **2027 Internal Audit Strategic Plan and Performance Measures**
   (Strategic Plan Item) Information/Action
   Presented by: Cheryl Cervantes Dietz, PERA Chief Audit Executive
   a. **2027 Internal Audit Strategic Plan and Performance Measures Presentation**

6. Internal Audit Activity Status Update

(Governance Item) Information

Presented by: Cheryl Cervantes Dietz, PERA Chief Audit Executive

a. Internal Audit Activity Status Update Presentation

7. External Quality Assessment – Plan Review & Approval

(Governance Item) Action

Presented by: Cheryl Cervantes Dietz, PERA Chief Audit Executive

a. External Quality Assessment – Plan Review & Approval Presentation

8. Education Item: Essential Conditions for Effective Internal Audit

(Educational Item) Information

Presented by: Cheryl Cervantes Dietz, PERA Chief Audit Executive

a. Essential Conditions for Effective Internal Audit Presentation

9. Committee Announcements

(Governance Item) Information

Presented by: Timothy M. O'Brien, Chairman, Audit Committee

10. 2027 Audit Committee Meeting Dates

(Governance Item) Information

Presented by: Timothy M. O'Brien, Chairman, Audit Committee

- June 8, 2027
- June 24, 2027
- November 18, 2027

Exhibit A – June 8, 2027, Audit Committee Meeting Agenda Draft
Exhibit B – Audit Committee 2027 Workplan

The Board may convene in Closed Executive Session pursuant to, but not limited to, the following:

A. Colorado Open Meetings Law, Section § 24-6-402(4)(a): Purchase, acquisition, lease, transfer, or sale of any real, personal, or other property interest;
B. Colorado Open Meetings Law, Section § 24-6-402(4)(b): Conferences with an attorney for the local public body for the purposes of receiving legal advice on specific legal questions;
C. Colorado Open Meetings Law, Section § 24-6-402(4)(c): Matters required to be kept confidential by federal or state law or rules and regulations.
D. Colorado Open Meetings Law, Section § 24-6-402(4)(d): Specialized details of security arrangements or investigations, including defenses against terrorism, both domestic and foreign, and including where disclosure of the matters discussed might reveal information that could be used for the purpose of committing, or avoiding prosecution for, a violation of the law;
E. Colorado Open Meetings Law, Section § 24-6-402(4)(e)(I): Determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators;
F. Colorado Open Meetings Law, Section § 24-6-402(4)(f)(I): Personnel matters except if the employee who is the subject of the session has requested an open meeting, or if the personnel matter involves more than one employee, all of the employees have requested an open meeting.
G. Colorado Open Meetings Law, Section § 24-6-402(4)(g): Consideration of any documents protected by the mandatory nondisclosure provisions of the “Colorado Open Records Act”, part 2 of article 72

PERA Audit Committee

2026 Workplan

A: Action - Action item. Seeking action from the committee so that the item can move to the full board for subsequent approval, as required.
I: Information - Information item. Seeking direction and discussion, no action required.
C: Consent - Routine item. No committee discussion required.

	March 19th	June 9th	June 24th	November 19th
Oversight	Internal Audit Activity Status Update (I) 2025 Financial Audit Update (I) 2025 ACFR Update (I)	Review of Audit Committee Comments on Draft 2025 ACFR (I)	2025 Financial Audit Update (I) Internal Audit Activity Status Update (I) 2025 ACFR Approval (A)	Internal Audit Activity Status Update (I) CAE Performance Evaluation and Compensation (A)
Strategic Plan and Other Planning Activities	2026 Internal Audit Strategic Plan and Performance Measures (I/A)			2026 Financial Audit Plan (I) ACFR Update (I) Internal Audit Risk Assessment and Proposed 2027 Audit Plan (I/A) Internal Audit Proposed Budget (I/A)
Policy Review / Development & Education	Education Item: Essential Conditions for Effective Internal Audit (I)		Review of the Standards of Professional and Ethical Conduct (I/A)	
Routine Governance Items	*Chair Report on CAE Meeting (I)		*Chair Report on Independent Auditor and CFO/Controller Meeting (I) *Chair Report on Independent Auditor Meeting (I) Evaluation of Outside Audit Committee Members and Review of Contracts (A)	*Chair Report on CEO Meeting (I) Annual Meeting with General Counsel (I) Annual Committee Charter Review (C/A) Annual Summary Report to Board of Trustees on Audit Committee Governance Activities (C/A) Annual Committee Workplan Development (I)

Activities related to periodic significant events will appear on the appropriate year's workplan. For example:

- At least every five years, review and approve the charter for the Internal Audit Division. (last completed Nov 2024).
- At least every five years, review and approve the Chief Audit Executive's plan for the performance of an external quality assessment in accordance with the Global Internal Audit Standards (next planned for 2027).
- Engage outside members, external consultants, and external advisors as needed to fulfill its responsibilities, unless approval by the Board is otherwise required.
- Comprehensive Committee Charter Review to be conducted every five years or as needed (last completed March 2025).
- *The Audit Committee Chair will meet separately with each of the following without other members of PERA management present: CEO, CAE, Independent Auditor, and CFO.
- In November, an annual report of the Committee's activities is submitted to the Board.

PERA Audit Committee
2027 Workplan (Draft)

A: Action - Action item. Seeking action from the committee so that the item can move to the full board for subsequent approval, as required.
I: Information - Information item. Seeking direction and discussion, no action required.
C: Consent - Routine item. No committee discussion required.

	March 25th	June 8th	June 24th	November 18th
Oversight	Internal Audit Activity Status Update (I) 2026 Financial Audit Update (I) 2026 ACFR Update (I)	Review of Audit Committee Comments on Draft 2026 ACFR (I)	2026 Financial Audit Update (I) Internal Audit Activity Status Update (I) 2026 ACFR Approval (A)	Internal Audit Activity Status Update (I) CAE Performance Evaluation and Compensation (A) Review findings from the external quality assessment (I)
Strategic Plan and Other Planning Activities	2027 Internal Audit Strategic Plan and Performance Measures (I/A) Review and approve the plan for an external quality assessment (A)			2027 Financial Audit Plan (I) ACFR Update (I) Internal Audit Risk Assessment and Proposed 2028 Audit Plan (I/A) Internal Audit Proposed Budget (I/A)
Policy Review / Development & Education	Education Item: Essential Conditions for Effective Internal Audit (I)		Review of the Standards of Professional and Ethical Conduct (I/A)	
Routine Governance Items	*Chair Report on CAE Meeting (I)		*Chair Report on Independent Auditor and CFO/Controller Meeting (I) Evaluation of Outside Audit Committee Members and Review of Contracts (A)	*Chair Report on CEO Meeting (I) Annual Meeting with General Counsel (I) Annual Committee Charter Review (I/A) Annual Summary Report to Board of Trustees on Audit Committee Governance Activities (C/A) Annual Committee Workplan Development (I)

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- Engage outside members, external consultants, and external advisors as needed to fulfill its responsibilities, unless approval by the Board is otherwise required.
- Comprehensive Committee Charter Review to be conducted at a minimum of every five years (last completed March 2025).
- *The Audit Committee Chair will meet separately with each of the following without other members of PERA management present: CEO, CAE, Independent Auditor, and CFO.
- In November, an annual report of the Committee's activities is submitted to the Board.

Exhibit C:
Draft 2027 Internal Audit Plan

Control Num	Project Description	Auditable Processes	Business Area	Overall Risk Rating	Estimated Timing of Project
Carry-Forward Assurance Projects from 2026 Audit Plan					
2408-AU	**Customer Service Call Center:** Review call center activities for compliance with policy, call center responses for accuracy and quality, and evaluating call center performance statistics.	**Customer Service**: (7a) Responding to questions from members, retirees, and beneficiaries through phone calls, e-mails, and walk-ins	Customer Service	Medium	2026 Dec
2501-AU	**Patch Management**: Evaluate design and operating effectiveness of controls and procedures for patch management.	**IT:** (3c) Change management, (3x) IT Governance, (3l) Network management; **Information Security:** (34)	Information Technology	High	2027 Q1
2505a-AU	**Kyriba Cash Projections Integrated Audit (Part 1):** Assess design and operating effectiveness of ITGC's and application controls for the Kyriba cash projections tool.	**IT**: (3a) User Access Management, (3c) Change Management, (34a) IT Governance, (3j) Job Scheduling	Investments, Information Technology	Medium	2027 Q1
2505b-AU	**Kyriba Cash Projections Integrated Audit (Part 2):** Assess the controls established to ensure the accuracy and reliability of cash projection data inputs and outputs, as well as whether cash projections are prepared in a timely manner for relevant stakeholders.	**Investments**: (11b) Investment Cash Projections	Investments	Medium	2027 Q1
2603-AU	**SDLC and Product Management:** Evaluate the governance operations and monitoring of development, deployment, and management of IT products / IT projects.	**IT:** (34a) IT Governance, (3a) User Access Management, (3c) Change Management, (3m) Virtual Infrastructure, (4a) Software Dev and Maintenance,(4b) Infrastructure Changes, (4c) Legislative Changes, (4d) QA testing	Information Technology	High	2027 Q1

Control Num	Project Description	Auditable Processes	Business Area	Overall Risk Rating	Estimated Timing of Project
2610-AU	**Fund Hub – Changes in Accounting for Alternatives & Real Estate:** Review and assess the Fund Hub implementation including related processes and control changes in Accounting for Alternatives and Real Estate, including the cash flow approval application.	**Accounting-Investments:** (17d) Maintenance of the Private Equity, Real Estate, and Alternatives databases, (17f) Financial Reporting for real estate, private equity, and non-custody reported Alternatives in investments, (17g) Cash flow transactions for Real Estate, Private Equity, and non-custody reported Alternative investments	Accounting - Investments	Medium	2026 Q4
2612-AU	**Allocation of Balances in Combined Funds:** evaluate the design and operating effectiveness of controls over the allocation of Combined Operating Fund (COF) and/or Combined Investment Fund (CIF) balances.	**Accounting – Financial Reporting:** (20), (20c) COF allocation	Accounting	Medium	2027 Q1
2615-AU	**Disability Offset:** Review of controls in place and compliance with policy for disability offset program, which includes older disability benefits (pre-1999) not manager by PERA's third-party vendor.	**BSD Data Research Team:** (26e) Disability Offset; **BSD Payroll Team:** (23c) Maintenance of the closed DPS Disability Recalcs	Benefit Services Division	Medium	2026 Q4
Formally Deferred and New Assurance Projects for 2027					
2602-AU	**Database Management:** Evaluate design and operating effectiveness of cloud and on-prem database management including governance, access, configuration, availability, change management, monitoring/logging, encryption, and 3rd party considerations.	**IT:** (34a) IT Governance, (34b) **Information Security**, 3a) User Access Management, (3c) Change Management, (3e) Database Management, (3h) Incident Management, (3j) Job Scheduling, (3l) Network Management, (3m) Virtual Infrastructure	Information Technology/ Security	High	Formally Deferred to 2027 by Audit Committee in June 2026
2701-AU	**Penetration Testing (Vendor Conducted):** IT Security control effectiveness testing	**Information Security** (34b)	Information Security	Medium-High	To be outsourced
2702-AU	**Data Protection and Records Management:** Evaluate the governance, design, and implementation of File Classification and Retention initiatives	**Information Security:** Data Protection & Records Management (34f)	Information Security	Critical	Q3

Control Num	Project Description	Auditable Processes	Business Area	Overall Risk Rating	Estimated Timing of Project
2703-AU	**ISMP Pre-Implementation:** (TBD based on new systems identified) – Evaluation of overall governance of the modernization effort and pre-implementation audit of specific applications, tools, and vendors selected for implementation	**Modernization Office** (39), **IT** (3), **Application Development** (4), **Information Security** (34), **Product Management** (35), **Project Management** (37)	Modernization	High	Multiple
2704-AU	**PAS/PRISM Modernization Pre-Implementation** (TBD based on new systems identified) – Evaluation of overall governance of the modernization effort and pre-implementation audit of specific applications, tools, and vendors selected for implementation	**Modernization Office** (39), **IT** (3), **Application Development** (4), **Information Security** (34), **Product Management** (35), **Project Management** (37)	Modernization	High	Multiple
2705-AU	**AI Governance:** Evaluate the current governance structures and policies in comparison to leading recommendations from multiple industry associations.	**Information Security:** (34i) AI Governance and Oversight	Information Security	High	Q4
2706-AU	**Hedge Fund Redemption:** Assess if the proper controls have been operating effectively to ensure 1) sufficient due diligence and approval, and 2) timely and accurate processing of redemptions.	**Investments:** (13c) Selling/Divesting Investment; (11e) Service Provider Oversight	Investments	Medium High	Q3
2707-AU	**Fund Factsheet Production:** Assess the controls established to ensure 1) data accuracy and integrity, 2) timeliness of production, and 3) appropriate vendor oversight.	**Investments:** (8e) Investment Performance**;** (11e) Service Provider Oversight	Investments	Medium	Q1
2708-AU	**Fund Hub – Changes in Accounting for Private Equity:** Review and assess the FundHub implementation-related processes and control changes in Accounting for Private Equity**.**	**Accounting-Investments:** (17d) Maintenance of the Private Equity, Real Estate, and Alternatives databases, (17f) Financial Reporting for real estate, private equity, and non-custody reported Alternatives in investments, (17g) Cash flow transactions for Real Estate, Private Equity, and non-custody reported Alternative investments	Accounting - Investments	Medium	Q4

Control Num	Project Description	Auditable Processes	Business Area	Overall Risk Rating	Estimated Timing of Project
2709-AU	**Fraud Risk Register and Control Mapping - Benefit Services:** Work with staff in benefit services to identify and classify both internal and external fraud risks and map current controls. Evaluate coverage and design of fraud controls.	**Benefit Services** (23-27, 43): Payroll, Employer Relations, DC, Compliance & Research, Active Team, Operations	Benefits	Medium	Q2
2710-AU	**Member Refunds:** Review of processes for refunding contributions to members, including effectiveness of controls to prevent and detect errors and fraud.	**BSD - Records & Information:** (29b) Member refunds; **Communications - Ops Support:** (33d) Member refunds	Benefits	Medium	Q4
2711-AU	**Survivor Benefits** Review of processes for the set up of survivor benefits as well as the follow-up on student certifications	**BSD - Active Team:** (27a) Survivors	Benefits	Medium	Q2
Employer Audits for 2027					
2740(a-d)-EA	**Employer Audits:** audit of includable salary, working after retirement, independent contractors and the identification of employer contribution discrepancies. We complete 4-5 Employer Audits per year in coordination with BSD taking a risk-based approach.	**BSD - Employer Relations** (24); **BSD Compliance and Research** (26)	Benefits – Employers	Medium	Ongoing
2741-EA	**Survey:** Survey a section of employers to confirm compliance with PERA Law and Rules	**BSD - Employer Relations** (24), **BSD Compliance and Research** (26)	Benefits – Employers	Medium	Q3
Control Monitoring and Advisory Services for 2027					
2750-CM	**Accurint Monitoring:** Review Accurint use for compliance with policy and appropriateness of access on a quarterly basis.	**IT:** (3a) User Access Management	Information Technology	Medium	Ongoing
2751-CM	**Well-Check on Benefit Recipients:** Sample benefit recipients over the age of 90 and all living out of country.	**BSD – Payroll:** (23a) Payment of Benefits; **Communications – Ops Support:** (33c) Member and Retiree Data Maintenance; **Legal:** (5l) Benefit Overpayment Collection	Benefit Services, Legal	Medium	Q3

Control Num	Project Description	Auditable Processes	Business Area	Overall Risk Rating	Estimated Timing of Project
2752-CM	**Internal staff transactions:** Review retirement set-up and purchased service credit transactions for PERA employees as they occur.	**BSD – Active Team:** (27b) Service Credit Purchase; (27d) Retirement set-up; **BSD - Records & Information:** (29b) Member Refunds	Benefit Services	Medium	Ongoing
2753-CM	**IT Vulnerability Assessment Results:** Review results and remediation efforts (Annual)	**IT:** (3h) Incident Management**; Information Security:** (34e) Vulnerability & Asset Management	Information Technology, Information Security	High	Q2/Q4
2754-CM	**Network Access Deactivation:** Verify logical access deactivation for terminated users (Continuous)	**IT:** (3a) User access management**; Information Security:** (34c) Identity and Access Management	Information Technology, Information Security	High	Ongoing
2755-CM	**Incident Management:** Observe IT incident management table- top exercise	**IT:** (3h) Incident management; **Information Security:** (34d) Incident Management	Information Technology, Information Security, Legal	High	Q2/Q4
2756-CM	**Actuarial & Financial Reporting:** Review of controls over actuarial values in ACFR	**Actuarial Services:** (31e) Annual Actuarial Reporting – Valuations**; Accounting-Financial Services:** (20a) Financial Reporting	Accounting, Actuarial Services	Medium	Q2
2757-CM	**General Ledger Account Monitoring:** Monitoring of changes to general ledger chart of accounts	**Accounting, Financial Reporting:** (20a) financial reporting	Accounting	Medium	Q4
2758-AS	**Participation in PAS/PRISM and ISMP Modernization Key Meetings/Discussions**	**Modernization Office** (39), **IT** (3), **Application Development** (4), **Information Security** (34), **Product Management** (35), **Project Management** (37)	IT/Application Development/Internal Audit	High	Ongoing

Control Num	Project Description	Auditable Processes	Business Area	Overall Risk Rating	Estimated Timing of Project
Governance Projects					
2780-GV	**Board Election:** Coordination of the Trustee election process and validation of ballot files. (Annual)	**Legal:** (5k) Governance Manual Compliance	Board/Legal	Low	Q1-Q2
2781-GV	**Standards of Professional & Ethical Conduct:** Complete conflict of interest survey of employees and trustees and assess compliance with PERA and Board policy. (Annual)	**Investments – Equities:** (9d) Broker Approval (Conflict of interest between traders and brokers) **Investment Admin – (8f) Employee Personal Trading** **Board Governance – Legal (5k)**	Legal, Board Governance, Investments	Medium	Q1/Q2
Administrative Projects					
2790-RA	**Risk Assessment** and Development of **Annual Audit Plan**	Internal Audit	Internal Audit	N/A	Q3-Q4
2791-QA	**External Quality Assessment Review:** Selection and coordination with outside assessors of internal audit quality.	Internal Audit	Internal Audit	N/A	Q1-Q4
2792-AD	**Employer Compliance Data Analytics:** Identify opportunities for leveraging data analytics to identify possible indicators of noncompliance with PERA law, which can be used to target further investigations or audits.	**BSD - Employer Relations** (24)	Internal Audit	N/A	Q3/Q4

Exhibit E: Allocation of Audit Resources in 2027 Audit Plan

Business Groups

- **Actuarial Services**
- **Admin & Strategy**
  - Change Management
  - Modernization Office
  - Project Management
  - Strategy
- **Benefit Services**
  - BSD - Active Team
  - BSD - Compliance & Research
  - BSD - DC
  - BSD - Employer Relations
  - BSD - Operations
  - BSD - Payroll
  - BSD - Records and Information
- **Communications**
  - Communications - General
  - Communications - Ops Support
- **Customer Service**
- **Finance/Accounting**
  - Accounting - Banking
  - Accounting - Benefits
  - Accounting - Budget
  - Accounting - DC
  - Accounting - Financial Reporting
  - Accounting - Investments
  - Accounting - Operations
  - Finance



Business Groups Cont'd

- **Government Relations**
- **Human Resources**
- **Information Security**
- **Insurance**
- **Investment Ops/Admin**
  - Investments - Admin
  - Investments - Ops
  - Investments - Stewardship
- **Investments**
  - Investments - Alternatives
  - Investments - Equities
  - Investments - Fixed Income
  - Investments - Private Equity
  - Investments - Real Estate
- **Legal**
  - Board Liaison
  - Legal
- **Member Education**
- **Property Management**
- **Technology**
  - Application Development
  - Information Technology
  - Product Management

Exhibit F: Risk Assessment Results and Audit Coverage by Business Group – 2027 Audit Plan

Business Group	Count of Processes	Percentage Covered in 2027 Audit Plan	Average Risk Rating	Max Risk Rating
Actuarial Services	**7**	14%	Medium	Medium
Admin & Strategy	**36**	61%	Medium	High
Change Management	12	-	Medium	High
Modernization Office	8	100%	High	High
Project Management	14	100%	Medium	High
Strategy	2	-	Low	Low
Benefit Services	**40**	98%	Medium	High
BSD - Active Team	10	100%	Medium	Medium
BSD - Compliance & Research	11	100%	Medium	Medium-High
BSD - DC	2	100%	Medium	Medium
BSD - Employer Relations	5	100%	Medium-High	High
BSD - Operations	5	100%	Medium	Medium-High
BSD - Payroll	5	100%	Medium	High
BSD - Records and Information	2	50%	Medium	Medium
Communications	**11**	18%	Medium	Medium
Communications - General	7	-	Medium	Medium
Communications - Ops Support	4	50%	Medium	Medium
Customer Service	**1**	-	Medium	Medium
Finance/Accounting	**39**	10%	Medium	Medium-High
Accounting - Banking	4	-	Low	Medium
Accounting - Benefits	4	-	Low	Medium
Accounting - Budget	1	-	Low	Low
Accounting - DC	3	-	Low	Low
Accounting - Financial Reporting	3	33%	Low	Medium
Accounting - Investments	8	38%	Medium	Medium-High
Accounting - Operations	4	-	Low	Medium
Finance	12	-	Medium	Medium-High
Government Relations	**2**	-	Medium-High	Medium-High
Human Resources	**19**	-	Medium	Medium-High
Information Security	**9**	100%	Medium-High	Critical
Insurance	**8**	-	Medium	Medium-High
Investment Ops/Admin	**17**	12%	Medium	Medium-High
Investments - Admin	7	14%	Medium	Medium-High
Investments - Ops	6	17%	Medium	Medium-High
Investments - Stewardship	4	-	Medium	Medium-High
Investments	**20**	5%	Medium	Medium-High
Investments - Alternatives	6	-	Medium	Medium-High

Exhibit F: Risk Assessment Results and Audit Coverage by Business Group – 2027

Business Group	Count of Processes	Percentage Covered in 2027 Audit Plan	Average Risk Rating	Max Risk Rating
Investments - Equities	6	-	Medium	Medium-High
Investments - Fixed Income	2	-	Medium	Medium
Investments - Private Equity	3	33%	Medium	Medium-High
Investments - Real Estate	3	-	Medium-High	Medium-High
Legal	**25**	4%	Low	Medium-High
Board Liaison	13	-	Low	Low
Legal	12	8%	Medium	Medium-High
Member Education	**7**	-	Medium	Medium-High
Property Management	**6**	-	Low	Medium-High
Technology	**24**	100%	Medium	High
Application Development	6	100%	Medium-High	High
Information Technology	15	100%	Medium	High
Product Management	3	100%	Medium	Medium
Grand Total	**271**	39%	Medium	Critical

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Exhibit G:
Outstanding Audit Recommendations as of 10/30/2026

Project Name	Release Date	Primary Addressee	Finding Summary	Recommendation Summary	Priority	Anticipated Completion Date	Revised Due Date
Backup and Restoration Processes and Disaster Recovery	11/27/2024	Information Technology	Disaster recovery plan is incomplete.	IT should partner with each division to review business continuity plans to determine inventory of critical systems prioritized for recovery.	Medium	10/31/2025	4/30/2027
Backup and Restoration Processes and Disaster Recovery	11/27/2024	Risk and Compliance	Business continuity plans are outdated and do not contain critical recovery information.	Establish ownership and responsibilities for business continuity planning, ensure business continuity plans include key components, and establish procedures for testing.	Medium	12/31/2025	3/31/2027
Backup and Restoration Processes and Disaster Recovery	11/27/2024	Risk and Compliance	Roles, responsibilities, and methods for testing business continuity and disaster recovery plans are not well defined.	Define and communicate the testing process for business continuity and disaster recovery.	Medium	12/31/2025	3/31/2027
401(k)/457 Contributions Process	3/10/2025	Benefit Services	PERA does not receive late interest penalties billed on a timely basis.	Accounting to update the Accounts Receivable policy and develop a process for monitoring and following up on outstanding penalties with delinquent employers.	Medium	8/31/2027	
401(k)/457 Contributions Process	3/10/2025	Benefit Services	Employers are not remitting contributions timely, resulting in delayed postings to participants' accounts.	Set goal to remove thresholds for waiving late interest penalties once necessary accounting systems are in place, consider interim strategies, and develop tracking for frequently late employers.	Medium	1/31/2028	

Outstanding Audit Recommendations as of 10/30/2026

Project Name	Release Date	Primary Addressee	Finding Summary	Recommendation Summary	Priority	Anticipated Completion Date	Revised Due Date
Empower Record Keeper Contract Compliance	2/24/2026	Benefit Services	Empower reports any instances of fraud to PERA's DC Manager only. The reports were not directed to internal audit, which is the traditional recipient of any reports of fraud within PERA.	PERA should review policies and procedures related to tracking and communicating potential fraud identified by Empower.	Medium	6/30/2026	1/31/2027
Empower Record Keeper Contract Compliance	2/24/2026	Benefit Services	PERA has elected that participants were not required to submit hardship supporting documentation to Empower (self-certification) when requesting a hardship distribution.	PERA should revisit the Plan policy in regard to the summary substantiation method for hardship distributions.	Low	9/30/2026	1/31/2027
Empower Record Keeper Contract Compliance	2/24/2026	Benefit Services	Certain monthly reports provided by Empower can be run by management through Empower's self-service platform. PERA requests certain reports on an ad hoc basis that could be more beneficial on a recurring basis through self-service.	PERA should review the composition of self-service reports at Empower to determine whether modifications are needed to improve usability and ensure that users have training and access to relevant information.	Low	12/31/2026	1/31/2027
Empower Record Keeper Contract Compliance	2/24/2026	Benefit Services	PERA does not collect survey data from participants who are using the advisory and portfolio services offered by Empower. There is a standard survey that could be enabled for PERA participants.	PERA should determine if participant feedback should be obtained through surveys concerning advisory and portfolio services.	Low	12/31/2026	1/31/2027

Outstanding Audit Recommendations as of 10/30/2026

Project Name	Release Date	Primary Addressee	Finding Summary	Recommendation Summary	Priority	Anticipated Completion Date	Revised Due Date
Empower Record Keeper Contract Compliance	2/24/2026	Benefit Services	Certain services provided by the wealth planning and advice team at Empower have not been enabled, such as automatic communications to members regarding withdrawals and distribution options, which could be a potential benefit to members.	PERA should review whether to enable automatic custom member communications and advice at Empower.	Low	12/31/2026	1/31/2027
Empower Record Keeper Contract Compliance	2/24/2026	External Vendor	Employer information is only stored at the individual-participant level rather than as a field in each transaction, which causes issues for participants with multiple employers.	Empower should evaluate the feasibility of creating an employer field within its system to facilitate the tracking of transactions for participants with multiple employers.	Medium	6/30/2027	
Securities Lending	6/3/2026	Investments-Administration	As the securities lending program continues to grow, the current oversight model may limit the ability to efficiently consolidate vendor performance insights and program-wide monitoring across functions.	Management should enhance the securities lending vendor oversight framework by strengthening cross-functional coordination and establishing more centralized monitoring and reporting processes.	Low	3/31/2027	
Adams State University	6/4/2026	Benefit Services-Employers	The University did not submit required employer contributions and applicable AED and SAED on independent contractors working after retirement.	Submit employer contributions, AED and SAED on payments to independent contractors working after retirement.	Medium	7/31/2026	Past Due
Adams State University	6/4/2026	Benefit Services-Employers	The University incorrectly excluded cell phone payments from PERA salary, resulting in underreporting of PERA salary and contributions owed to PERA.	Work with the University to submit contributions owed on the cell phone payments that were incorrectly excluded from PERA salary.	Medium	12/15/2026	

Outstanding Audit Recommendations as of 10/30/2026

Project Name	Release Date	Primary Addressee	Finding Summary	Recommendation Summary	Priority	Anticipated Completion Date	Revised Due Date
Adams State University	6/4/2026	Benefit Services-Employers	The University incorrectly excluded employee contributions to IRC Section 125 plans from PERA salary for new employees hired on or after July 1, 2019, and are new to PERA, resulting in under-reporting of the affected employees' PERA includable salary and contributions owed.	Identify all employees who are contributing to Section 125 plans whose contributions excluded from PERA salary and submit employer contributions, AED and SAED, and interest on the contributions.	Medium	12/15/2026	
Adams State University	6/4/2026	Benefit Services-Employers	The University incorrectly included a moving stipend in PERA salary resulting in overreporting of PERA salary and contributions that need to be refunded.	Identify all staff that received a moving stipend incorrectly included in PERA salary and work with BSD to return overpaid contributions.	Medium	12/15/2026	
Adams State University	6/4/2026	Benefit Services-Employers	The University has not submitted ORP forms to PERA for individuals who elect to participate in the ORP. PERA needs these forms to determine if contributions are owed to PERA.	Provide PERA with ORP forms for all current and future employees for which an ORP form is required.	Medium	12/15/2026	
Adams State University	6/4/2026	Benefit Services-Employers	The University did not submit the AED and SAED contributions for employees who had prior PERA service and elected to participate in the University's ORP.	Work with BSD to submit AED and SAED contributions and interest for employees who were entitled to choose between PERA and the ORP and selected the ORP.	Medium	12/15/2026	

Outstanding Audit Recommendations as of 10/30/2026

Project Name	Release Date	Primary Addressee	Finding Summary	Recommendation Summary	Priority	Anticipated Completion Date	Revised Due Date
Investment Incentive Pay Program	7/29/2026	Human Resources	The review and approval process for payments under the investment incentive pay program is not well defined, potentially allowing errors to go undetected.	Work with the Executive Director to create a procedure manual that clearly delineates roles, responsibilities, and methods for reviewing and approving award amounts at appropriate stages in the process.	Medium	12/31/2027	
Jefferson County School District	8/18/2026	Benefit Services-Employers	Contributions owed on retirees working as independent contractors.	Submit contributions on retirees working as independent contractors.	Medium	4/1/2027	
Jefferson County School District	8/18/2026	Benefit Services-Employers	Sell back of unused vacation days incorrectly included in PERA salary.	Return the contributions to the employer for payout of leave days.	Medium	12/16/2026	
Jefferson County School District	8/18/2026	Benefit Services-Employers	Sell back of unused sick/personal days incorrectly included in PERA salary	Return contributions on leave payouts made to employees	Medium	12/16/2026	
North Conejos School District	9/10/2026	Benefit Services-Employers	Contributions owed on retirees working as independent contractor	Submit contributions on retirees working as independent contractors	Medium	11/30/2026	
North Conejos School District	9/10/2026	Benefit Services-Employers	Health Savings Account contributions being erroneously withheld from PERA salary	Contributions need to be submitted on health saving account contributions	Medium	12/18/2026	
North Conejos School District	9/10/2026	Benefit Services-Employers	For new PERA members, section 125 contributions were incorrectly withheld from PERA salary	Include section 125 contributions in PERA salary for new hires	Medium	11/1/2026	
North Conejos School District	9/10/2026	Benefit Services-Employers	Payments for services rendered were excluded from PERA salary	Include salary for services rendered in PERA salary	Medium	11/1/2026	
North Conejos School District	9/10/2026	Benefit Services-Employers	Incorrect section 125 contribution was done pre-tax	Include in PERA salary incorrect section 125 contributions	Medium	11/1/2026	

Outstanding Audit Recommendations as of 10/30/2026

Project Name	Release Date	Primary Addressee	Finding Summary	Recommendation Summary	Priority	Anticipated Completion Date	Revised Due Date
North Conejos School District	9/10/2026	Benefit Services-Employers	Employees incorrectly categorized as IC's	Submit contributions on earnings made to employees incorrectly classified as IC's	Medium	11/1/2026	
IAM Diagnostic	9/14/2026	Information Technology	Due to technical specifications, requirements, or configurations of certain applications in the PERA environment, the use of Single Sign-On (SSO) and/or Multi-Factor Authentication (MFA) may not be enabled. Applications that do not enable SSO or MFA are not currently tracked or periodically reviewed.	Internal Audit recommends identifying and inventorying applications and platforms that perform authentication or authorization, including those applications that do not or cannot enable SSO or MFA, and monitoring to detect adverse access-related events.	Medium	6/30/2027	
IAM Diagnostic	9/14/2026	Information Security	Current user access reviews occur annually, usually in Q1. Leading practices in multiple risk frameworks require more frequent reviews, especially for access to sensitive information, critical systems, or privileged access. The current annual review is not likely to detect and correct inappropriate access in a timely manner to prevent error or fraud.	Determine systems and roles that enable privilege access or access to sensitive information and establish more frequent reviews of access for those systems/roles. In addition, consider whether the current annual review is sufficient for low-risk systems/roles.	Medium	12/31/2027	

Outstanding Audit Recommendations as of 10/30/2026

Project Name	Release Date	Primary Addressee	Finding Summary	Recommendation Summary	Priority	Anticipated Completion Date	Revised Due Date
IAM Diagnostic	9/14/2026	Information Security	Multiple issues in the design and operation of the Annual User Access Attestation control are noted including Divisions failing to complete the review, managers reviewing their own access, and users maintaining access that was not necessary or appropriate for their job function.	Enhance the design and operating effectiveness of the Annual User Access Attestation through a combination of completion enforcement, eliminating self-review, conducting training, reducing scope of the review, reducing the number of users being assessed by each reviewer, and increasing information available to the reviewer.	High	12/31/2026	
IAM Diagnostic	9/14/2026	Information Security	The Accounting Division currently utilizes dozens of vendor application and website credentials that they share among several team members without formalized account creation, review, and decommissioning controls for the accounts or users with access to the accounts. Most of the accounts provide read-only access, while a few accounts allow for data uploads. The listing of shared accounts held by Accounting did not contain all accounts being shared.	Establish corporate level policy regarding governance and maintenance of shared accounts. Where appropriate, limit access to credential and secret sharing to appropriate personnel. Establish and maintain an inventory of shared accounts that are explicitly reviewed and approved on a risk basis.	Medium	12/31/2026	

Outstanding Audit Recommendations as of 10/30/2026

Project Name	Release Date	Primary Addressee	Finding Summary	Recommendation Summary	Priority	Anticipated Completion Date	Revised Due Date
IAM Diagnostic	9/14/2026	Information Security	Information Security Policy not reviewed and updated since 2022.	Confirm that the Information Security policy is included in the scope of policies reviewed through the existing corporate policy review cycle with appropriate oversight and ownership. Update the policies to include exception details where appropriate and document management's acceptance of policy exceptions.	Low	12/31/2026	
IAM Diagnostic	9/14/2026	Information Technology	There is currently only an informal listing of critical applications captured by way of the scope of the annual Group User Review and/or via institutional knowledge of varying personnel. Critical applications that meet the criteria defined in the IT AD policy are not currently inventoried, documented, or flagged through a single source of truth.	Maintain detailed asset and software inventories that can be used as the basis for multiple risk-based security policy applications downstream. Implement an intake/onboarding mechanism and an ongoing monitoring process to identify systems and applications deemed critical to PERA's environment.	Medium	6/30/2027	