



San Joaquin County Employees Retirement Association

A G E N D A

**AUDIT COMMITTEE MEETING
SAN JOAQUIN COUNTY EMPLOYEES RETIREMENT ASSOCIATION
BOARD OF RETIREMENT
THURSDAY, MARCH 11, 2021
AT 9:00 AM
Location: Via Zoom**

In accordance with current state and local emergency proclamations and orders, this Board Meeting will be held virtually via Zoom Client.

The public may only attend the meeting by (1) clicking here <https://us02web.zoom.us/j/87200434758> and following the prompts to enter your name and email, or (2) calling (669) 219-2599 or (669) 900-9128 and entering Meeting ID **87200434758**#.

Persons who require disability-related accommodations should contact SJCERA at (209) 468-9950 or KendraF@sjcera.org at least forty-eight (48) hours prior to the scheduled meeting time.

1.0 ROLL CALL

2.0 COMMENTS

2.01 PUBLIC COMMENT

Persons wishing to address the Audit Committee should follow the steps below. Speakers are limited to three minutes and are expected to be civil and courteous.

If joining via Zoom from your PC or Mac, and you wish to make a Public Comment, please select "Participants" found in the toolbar at the bottom of your screen. From there you will see the option to raise and lower your hand.

If joining via Zoom from your mobile device, and you wish to make a Public Comment, please select the "More" option found in the toolbar at the bottom of your screen. From there you will see the option to raise and lower your hand.

If joining via Zoom from your tablet such as an iPad, and you wish to make a Public Comment, please click on the icon labeled "Participants" typically located at the top right of your screen and then tap the hand icon next to your device in the participants column to raise your digital hand.

If dialing in from a phone for audio only and you wish to make a Public Comment, please dial *9 to "raise your hand".

Except as otherwise permitted by the Ralph M. Brown Act (California Government Code Sections 54950 et seq.), no deliberation, discussion or action may be taken by the Committee on items not listed on the agenda. Members of the Committee may, but are not required to: (1) briefly respond to statements made or questions posed by persons addressing the Board; (2) ask a brief question for clarification; or (3) refer the matter to staff for further information.

3.0 2020 AUDIT ENTRANCE CONFERENCE

- | | | |
|-------------|---|----|
| 3.01 | Scope of Services Presentation by Lindsey McGuire, CPA and Colin Lo, CPA of Brown Armstrong Accountancy Corporation | 3 |
| 3.02 | Letter dated December 20, 2020 from Brown Armstrong Accountancy Corporation for audit objectives and procedures | 24 |
| 3.03 | Committee to discuss and give direction to auditor and staff as appropriate | |

4.0 CYBERSECURITY AUDIT

4.01 Committee to discuss and give direction to staff as appropriate.

5.0 COMMENTS

5.01 Comments from the Committee Members

6.0 NEXT MEETING OF THE AUDIT COMMITTEE

6.01 May 20, 2021, Time TBD

7.0 ADJOURNMENT



San Joaquin County Employees' Retirement Association

Scope of Services Presentation – Proposed Audit Plan to the Audit Committee for the December 31, 2020 Year End Financial Statements

Brown Armstrong

Accountancy Corporation

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BROWN ARMSTRONG
Certified Public Accountants

March 11, 2021

The Audit Committee
San Joaquin County Employees' Retirement Association
6 South El Dorado Street, Suite 400
Stockton, CA 95202-2804

We are pleased to have the opportunity to present to you our plan for the audit of San Joaquin County Employees' Retirement Association (SJCERA) for the year ended December 31, 2020.

This presentation has been prepared to discuss the scope of the audit.

We look forward to presenting this information, addressing your questions, and discussing any other matters of interest to the management of SJCERA and the Audit Committee.

Sincerely,

Lindsey McGuire, CPA
Partner

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Summary

This presentation outlines our audit strategy and approach for the December 31, 2020 audit of SJCERA and gives the Audit Committee the opportunity to review, discuss, and comment on our plan.

This presentation provides:

- The engagement team and the proposed audit timeline.
- An overview of our audit strategy and focus areas.
- Plan for continuous, two-way communication and reporting to the Audit Committee and management.
- Management's responsibilities in relation to the audit.

Some modifications of the scope of our plan may be required as we execute our audit. We will advise the Audit Committee of any significant changes.

Our Audit Objectives

As the auditor for SJCERA, we are responsible for reporting on the financial statements of SJCERA for the year ended December 31, 2020. Our engagement is focused on delivering our services at three levels.

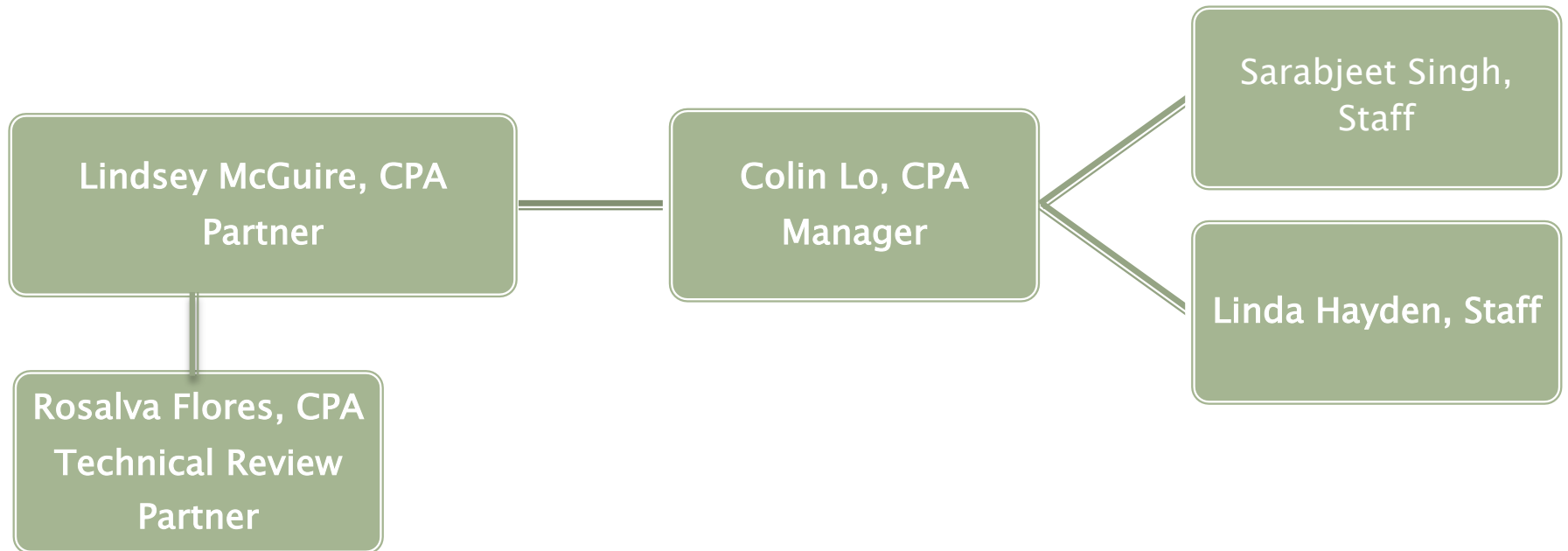
Levels	Description
For the public and SJCERA	Independent opinions and reports that provide assurance on the financial information released by SJCERA.
For the Audit Committee/Retirement Board	Assistance in discharging their fiduciary responsibilities.
For management	Observations and advice on financial reporting, accounting, and internal control issues from our professionals.

Our Audit Objectives (Continued)

Our primary objective is the expression of an opinion on SJCERA's financial statements and to consider SJCERA's internal control over financial reporting in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, which includes:

- ▶ Obtaining reasonable assurance as to whether the financial statements are prepared in accordance with accounting principles generally accepted in the United States of America and are free of material misstatements, whether caused by error or fraud; and
- ▶ Obtaining reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

The Engagement Team



Audit Timeline/Critical Dates List

Item	Due Date
PLANNING	
Information request provided by AUDITORS	Friday, February 5, 2021
Retired Participant Populations provided to AUDITOR	Friday, February 5, 2021
AUDITOR to provide SJCERA staff with sample selection for retiree confirmations	Monday, February 8, 2021
RETIREE Confirmations returned to AUDITOR for mailing	Friday, February 12, 2021
Active Participant Populations provided to AUDITOR	Monday, February 15, 2021
AUDITOR to provide SJCERA staff with sample selection for active confirmations	Wednesday, February 17, 2021
ACTIVE Participant, ACTUARY, EMPLOYER Confirmations returned to AUDITOR for mailing	Friday, February 19, 2021
Custodian, Investment Manager, and all other confirmations returned to AUDITOR for mailing	Friday, February 26, 2021

Audit Timeline/Critical Dates List (Continued)

Items	Due Date
Other Participant Populations provided to AUDITOR (as of 12/31/2020)	Friday, March 5, 2021
IT Survey responses due to Auditor	Friday, March 5, 2021
AUDITOR to send 2 nd Requests for participants and employer	Friday, March 5, 2021
Items on Interim Fieldwork Information Request Lists due	Monday, March 8, 2021
Audit Entrance Conference (Audit Partner, SJCERA Audit Committee, and SJCERA staff)	Thursday, March 11, 2021 9AM
AUDITOR to send 2 nd Requests for Custodian, Investment Managers, and all other confirmations via email (except for Legal)	Friday, March 12, 2021
INTERIM FIELDWORK	
Beginning of interim audit fieldwork	Monday, March 15, 2021

Audit Timeline/Critical Dates List (Continued)

Items	Due Date
FINAL FIELDWORK PLANNING	
SJCERA to provide draft 12/31/20 trial balance and Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position to AUDITOR and Actuary	Monday, March 29, 2021
Items on Final Fieldwork Information Request Lists due for AUDITOR set up from office	Monday, March 29, 2021
AUDITOR to send 2 nd Requests for actuary	Friday, April 2, 2021
FINAL FIELDWORK	
Beginning of final fieldwork	Monday, April 5, 2021
SJCERA to provide remaining items on Information Request List not provided 3/29/21	Monday, April 5, 2021
Expected completion date of fieldwork and approval of draft financial statements	Friday, April 9, 2021
SJCERA to provide completed Legal Letter Confirmations via email to AUDITOR for mailing	Friday, April 9, 2021
Audit status meeting conference call with SJCERA management	Monday, April 19, 2021 Time TBD

Audit Timeline/Critical Dates List (Continued)

Items	Due Date
AUDIT WRAP-UP AND FINAL REPORTS	
AUDITOR to provide SJCERA with draft of financial statements and note disclosures	Friday, April 23, 2021
AUDITOR to provide SJCERA management with the following reports in draft format (forward to Audit Committee): Independent Auditor's Report in draft format Agreed Upon Conditions Report SAS 114 Report Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters	Wednesday, April 28, 2021
SJCERA to provide input/edits to AUDITOR on initial draft of financial statements and reports without GASB 67/68	Friday, April 30, 2021
SJCERA to provide AUDITOR with the draft GASB 67/68 Actuary report	Tuesday, May 4, 2021
AUDITOR to provide revised DRAFT financial statements and reports with GASB 67/68 to SJCERA for review	Friday, May 7, 2021
Legal Letters due (within 10 days of audit report)	Monday, May 10, 2021
SJCERA to provide input/edits to AUDITOR on revised draft of financial statements and reports with GASB 67/68	Tuesday, May 11, 2021

Audit Timeline/Critical Dates List (Continued)

Items	Due Date
AUDITOR to provide DRAFT Audit Reports to SJCERA for disbursement to Audit Committee	Thursday, May 13, 2021
SJCERA to provide DRAFT courtesy copy of report to County Auditor-Controller	Thursday, May 13, 2021
County Auditor-Controller to provide questions/concerns to SJCERA	Wednesday, May 19, 2021
Audit Exit Conference (SJCERA Audit Committee, Staff, and Brown Armstrong)	Thursday, May 20, 2021 Time TBD
Final Review (edits/clean-up)	Thursday, May 20, 2021
AUDITOR to provide DRAFT Audit Reports to SJCERA with any additional revisions following Exit Conference	Friday, May 21, 2021
AUDITOR to provide SJCERA management with the Independent Auditor's Report in final format	Tuesday, May 25, 2021
AUDITOR to provide SJCERA management with the following reports in final format: Agreed Upon Conditions Report SAS 114 Report Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters	Tuesday, May 25, 2021

Audit Timeline/Critical Dates List (Continued)

Items	Due Date
Copy of Financial Statements and Board of Supervisors Packet to County Administrator to provide the draft to County Auditor Controller office by 5/25/21	Tuesday, May 25, 2021
SJCERA Board of Retirement Acceptance of final reports	Friday, June 4, 2021
SJCERA Management report to Board of Supervisors for accepting and filing of reports	Tuesday, June 8, 2021

Audit Strategy

Phase I	Phase II	Phase III	Phase IV
Audit Planning	Interim Field Work	Final Field Work	Completion
Familiarize ourselves with operating environment	Assess internal control environment and identify strengths and weaknesses	Plan and perform substantive audit procedures substantiating all amounts and disclosures in the financial statements	Perform completion procedures, including manager, partner, and technical reviews
Perform risk assessment procedures	Perform SAS 99 (fraud evaluation) procedures	Conduct final analytical review	Obtain GASB Statements No. 67 and No. 68 valuation performing completion procedures
Determine planning materiality	Perform walkthroughs of significant audit areas	Consider audit evidence sufficiency	Perform review of CAFR and related disclosure checklists
Perform preliminary analytical review	Evaluate design and implementation of selected controls	Conclude on critical accounting matters	Obtain legal confirmations
Develop the audit plan	Test controls over financial reporting and participant data	Test valuations of fair value investments	Draft reports to be issued
Identify significant audit areas and confirmation procedures	Understand accounting and reporting activities	Continually educate staff about upcoming GASB standards/audit regulations that will need to be implemented	Draft and obtain signed management representation letter
Determine nature and extent of audit procedures	Conduct exit conference with management to discuss preliminary results based on the test of controls performed	Conduct Exit Conference with management, including a discussion of proposed audit adjustments, internal control and compliance findings, and management letter	Issue auditor's reports and management letter
Audit Committee meeting; Presentation of Scope of Services and Engagement Letter	Reevaluate the progress of the audit and make any changes on audit approach and procedures, if necessary		Audit Committee meeting; Presentation of Audit and Compliance Reports

Audit Areas of Focus

Significant Risk Areas	Brown Armstrong's Response
Revenue recognition	<ul style="list-style-type: none">• Test of controls over contribution amounts as part of participant data• Perform confirmations with third parties• Other substantive analytics to be performed
Management override of controls	<ul style="list-style-type: none">• Obtain an understanding of controls over journal entries and test a sample of individual journal entries• Inquiries will be performed with individual(s) involved in the financial reporting process, and a review ensuring no inappropriate or unusual activity was noted relating to journal entry processing• Perform walkthroughs of significant audit areas to review adequate segregation of duties

Audit Areas of Focus (Continued)

Significant Audit Areas	Brown Armstrong's Response
Investments and related earnings	<ul style="list-style-type: none"> • Walkthrough of controls • High level analytics review of investment income • Confirmations with custodian, managers, and consultants • Review GASB Statement No. 72 valuation inputs and testing of level determinations • Obtain audited financial statements and SOC reports
Participant data and actuary	<ul style="list-style-type: none"> • Walkthrough and test of controls • Testing of participant data, including active and terminated members, and employer payroll <ul style="list-style-type: none"> • Confirmation with individual participants, actuary, and employers • GASB Statement No. 67 <ul style="list-style-type: none"> • Money-weighted return • Required Supplementary Information (RSI) and Other Information schedules

Audit Areas of Focus (Continued)

Significant Audit Areas	Brown Armstrong's Response
Employer and employee contributions	<ul style="list-style-type: none">• Walkthrough and test of controls• Confirmation with employers• High level analytics
Benefit payments	<ul style="list-style-type: none">• Walkthrough and test of controls• Testing of benefit payments• High level analytics

Proposed Changes in the Audit Plan from Prior Year

- ❖ Walkthrough of benefit payment process with implementation of new system
- ❖ Walkthroughs of other significant areas since there were changes in management staff
- ❖ Placement agent fee testing

Reports Expected to be Issued

<i>Government Auditing Standards</i>			
Generally Accepted Auditing Standards			
Independent Auditor's Report (Opinion) on Financial Statements	Required Communication to the Retirement Board and Audit Committee in Accordance with Professional Standards (SAS 114)	Report on SJCERA's Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	Report on Agreed Upon Conditions Designed to Increase Efficiency, Internal Controls, and/or Financial Reporting (Management Letter)

Implementation of New Accounting Pronouncements Applicable for the December 31, 2020 Audit

Standard	Title	Effective Date	Year End Effective Date	Effect on SJCERA
GASB Statement No. 95	<i>Postponement of the Effective Dates of Certain Authoritative Guidance</i>	Effective immediately (issued May 2020)	December 31, 2020	This statement delayed the implementation of certain GASB pronouncements. No new pronouncements are applicable for December 31, 2020.

Questions?

We are looking forward to working closely with you and the management team during the December 31, 2020 audit.

Thank you!

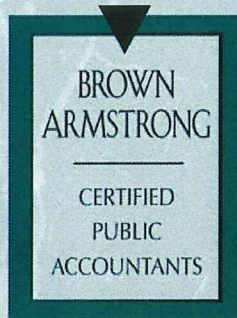


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Colin Lo, CPA
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REGISTERED with the Public Company
Accounting Oversight Board and
MEMBER of the American Institute of
Certified Public Accountants

BROWN ARMSTRONG

Certified Public Accountants

December 10, 2020

Board of Retirement
c/o Mr. Michael Duffy, Audit Committee Chair, and
Ms. Johanna Shick, Chief Executive Officer
San Joaquin County Employees' Retirement Association
6 South El Dorado Street, Suite 400
Stockton, California 95202

Dear Board of Retirement, Mr. Duffy, and Ms. Shick:

We are pleased to confirm our understanding of the services we are to provide the San Joaquin County Employees' Retirement Association (SJCERA) for the year ended December 31, 2020. We will audit the financial statements, including the related notes to the financial statements, which collectively comprise the basic financial statements of SJCERA as of and for the year ended December 31, 2020. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement SJCERA's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to SJCERA's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by accounting principles generally accepted in the United States of America and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Schedule of Changes in Net Pension Liability and Related Ratios
- 3) Schedule of Contributions from the Employers and Other Contributing Sources – Defined Benefit Pension Plan
- 4) Schedule of Investment Returns

We have also been engaged to report on other supplementary information other than RSI that accompanies SJCERA's financial statements for the Comprehensive Annual Financial Report (CAFR). We will subject the following other supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such

Board of Retirement
c/o Mr. Michael Duffy, Audit Committee Chair, and
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information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole:

- 1) Schedule of Administrative Expenses
- 2) Schedule of Investment Expenses
- 3) Schedule of Payments of Consultants

Additionally, we have been engaged to audit the other information that accompanies SJCERA's financial statements for the CAFR as described:

- 1) Schedule of Cost Sharing Employer Allocations
- 2) Schedule of Employer Pension Amounts Allocated by Cost Sharing Plan

The following additional information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that additional information.

- 1) Introductory Section
- 2) Investment Section
- 3) Actuarial Section
- 4) Statistical Section

Audit Objectives

The objective of our audit is the expression of opinions as to whether SJCERA's financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America and to report on the fairness of the other supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of SJCERA and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of SJCERA's financial statements. Our report will be addressed to the Board of Retirement of SJCERA. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

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We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of SJCERA's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the SJCERA's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that SJCERA is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to SJCERA or to acts by management or employees acting on behalf of SJCERA. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in the financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, an unavoidable risk exists that some material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as

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part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and agreements; and other responsibilities required by auditing standards generally accepted in the United States of America.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of SJCERA and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under American Institute of Certified Public Accountants (AICPA) professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of SJCERA's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

In addition, we will perform certain procedures directed at considering SJCERA's compliance with applicable Internal Revenue Service (IRS) requirements for tax exempt status. However, you should understand that our audit is not specifically designed for and should not be relied upon to disclose matters affecting plan qualifications or compliance IRS requirements. If during the audit we become aware of any instances of any such matters or ways in which management practices can be improved, we will communicate them to you.

Other Services

We will also assist in preparing the financial statements and related notes of SJCERA in conformity with accounting principles generally accepted in the United States of America based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the

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services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for designing, implementing, and maintaining effective internal controls, relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including identification of all related parties and all related-party relationships and transactions, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within SJCERA from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting SJCERA involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting SJCERA received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that SJCERA complies with applicable laws, regulations, contracts, agreements, and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, or contracts or agreements that we report.

You are responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the other supplementary information in any document that contains and indicates that we have reported on the other supplementary information. You also agree to include the audited financial statements with any presentation of the other supplementary information that includes our report. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the other supplementary information in accordance with

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accounting principles generally accepted in the United States of America; (2) you believe the other supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the other supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

You are required to disclose the date through which subsequent events have been evaluated and whether that date is the date the financial statements were issued or were available to be issued. You agree that you will not date the subsequent event noted earlier than the date of your management representation letter.

Engagement Administration, Fees, and Other

We may from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Board of Retirement
c/o Mr. Michael Duffy, Audit Committee Chair, and
Ms. Johanna Shick, Chief Executive Officer
San Joaquin County Employees' Retirement Association
December 10, 2020
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We understand that your employees will prepare all schedules, analyses, cash, contributions, investment manager, participant, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to SJCERA; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Brown Armstrong Accountancy Corporation and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to Cognizant Agency or its designee, or the United States Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Brown Armstrong Accountancy Corporation personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies. The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the United States Government Accountability Office.

We expect to begin our audit on approximately March 15, 2021, and to issue our reports no later than May 31, 2021. Lindsey McGuire is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$60,670. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

All disputes under this agreement shall be submitted to mediation. Each party shall designate an executive officer empowered to attempt to resolve the dispute. Should the designated representatives be unable to agree on a resolution, a competent and impartial third party acceptable to both parties shall be appointed to mediate. Each disputing party shall pay an equal percentage of the mediator's fees and expenses. No suit

Board of Retirement
c/o Mr. Michael Duffy, Audit Committee Chair, and
Ms. Johanna Shick, Chief Executive Officer
San Joaquin County Employees' Retirement Association
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or arbitration proceedings shall be commenced under this agreement until at least 60 days after the mediator's first meeting with the involved parties. In the event that the dispute is required to be litigated, the court shall be authorized to assess litigation costs against any party found not to have participated in the mediation process in good faith.

Our relationship with you is limited to that described in this letter. As such, you understand and agree that we are acting solely as independent accountants. We are not acting in any ways as a fiduciary or assuming any fiduciary responsibilities for you. We are not responsible for the preparation of any report to any governmental agency, or any other form, return, or report or for providing advice or any other service not specifically recited in this letter.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our peer review report dated June 27, 2019, accompanies this letter.

Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

We appreciate the opportunity to be of service to SJCERA and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION



By: Lindsey McGuire

LBM:cll:mmj

Enclosure

Pfx Engagement/73960Audit 12/31/2020PSR-02-2Audit Engagement Letter Yellow Book - DRAFT

Board of Retirement
c/o Mr. Michael Duffy, Audit Committee Chair, and
Ms. Johanna Shick, Chief Executive Officer
San Joaquin County Employees' Retirement Association
December 10, 2020
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RESPONSE:

This letter correctly sets forth the understanding of SJCERA.

Management signature: 

Title: CEO

Date: 12/29/2020

Governance signature: 

Title: Vice Chairman

Date: 1-4-21



Audit Committee Meeting

San Joaquin County Employees' Retirement Association

Agenda Item 4.0

March 11, 2021

SUBJECT: Cybersecurity Request for Proposal (RFP)

SUBMITTED FOR: CONSENT X ACTION INFORMATION

RECOMMENDATION

Staff recommends including Audit Committee members with cybersecurity expertise in the selection of the Cybersecurity vendor, either by being part of the RFP evaluation team, or by requesting the Committee review the staff recommendation.

PURPOSE

To seek guidance from the Audit Committee on the proper role and authority of staff, the Committee and the Board with regard to selecting the cybersecurity auditor.

To benefit from the Audit Committee members' cybersecurity expertise in the selection of a vendor.

DISCUSSION

The Audit Committee was established to assist in overseeing the audit function within SJCERA, which historically has been a financial audit and review of internal controls. Section IV.B of the *Audit Committee Charter* states, "[t]he Committee is...responsible for the selection and oversight of the Auditor...." However, the Charter is silent on the Committee's role with respect to specialty auditors, such as cybersecurity auditors.

Staff seeks direction from the Committee regarding the Committee's role in the selection and oversight of the cybersecurity auditor. Possible options include, but are not limited to:

- Direct staff to bring the matter to the full Board for direction.
 - Delegate authority for selection and contract negotiation to staff,
 - Clarify the Audit Committee Charter covers all forms of audits, effectively delegating authority for selection and contract negotiation to the Committee, or
 - Reserve the authority for selection of specialty auditors for itself.
- Direct staff to review the RFP proposals and bring to the Committee a summary assessment of the proposers and a recommendation of which vendor to select.
- Assign an Audit Committee member to the RFP evaluation team to participate in the selection of the recommended vendor.

The RFP (draft attached for your reference) has been developed in conjunction with the County Information Systems Division, and Matt Eakin, Director of Information Security at Orange County Employees' Retirement System (OCERS).

Staff plans to issue the RFP on March 12 to six vendors, and post it on our website. The proposals are due April 30 and the evaluation team (currently consisting of Johanna Shick, Kathy Herman, Adnan Khan, Jason Morrish, and OCERS Director of Information Security, Matt Eakin) will then have two weeks to score the proposals and select a recommended vendor.

ATTACHMENT

Draft Cybersecurity Audit RFP



JOHANNA SHICK
Chief Executive Officer



GREG FRANK
Management Analyst III



REQUEST FOR PROPOSAL

San Joaquin County Employees' Retirement Association
6 S. El Dorado Street, Suite 400
Stockton, California 95202
Phone: (209) 468-2163
www.sjcera.org

Request for Proposal No. 2021-02

CYBERSECURITY AUDITING SERVICES

KEY DATES

Request for Proposals (RFP) issued	March 12, 2021
Letter of Intent and Written Questions Due	March 26, 2021, 4 p.m.
Responses to Questions Posted on Website	No later than April 2, 2021
Due date for submission of proposals	April 23, 2021, 4 p.m.
Estimated Contract Execution	May 14, 2021

Draft

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I. INVITATION

The San Joaquin County Employees' Retirement Association (SJCERA) is issuing this RFP to solicit proposals from qualified firms to provide cybersecurity auditing services. This search seeks to identify a potential cybersecurity auditing firm.

II. GENERAL INFORMATION

A. Background Information

SJCERA is a public retirement system established by the San Joaquin County Board of Supervisors effective June 28, 1946. SJCERA provides retirement, disability and survivors' benefits to eligible General and Safety members employed by the County of San Joaquin and nine other public employers:

- Lathrop-Manteca Rural Fire Protection District
- Mountain House Community Services District
- San Joaquin County Historical Society and Museum
- San Joaquin County Law Library
- San Joaquin County Mosquito and Vector Control District
- San Joaquin County Superior Court
- San Joaquin Local Agency Formation Commission
- Tracy Public Cemetery District
- Waterloo-Morada Rural Fire Protection District

SJCERA's nine-member Board of Retirement has exclusive control and fiduciary responsibility for administering the benefits and managing the investment of plan assets. The Board oversees the Chief Executive Officer and staff in the performance of their duties in accordance with the County Employees' Retirement Law (CERL), the Internal Revenue Code (IRC), the Public Employees' Pension Reform Act of 2013 (PEPRA) as adopted by the Board of Supervisors and Board of Retirement, and the bylaws, policies, and procedures adopted by the Board.

The nine-member Board of Retirement includes four trustees appointed by the San Joaquin County Board of Supervisors, the San Joaquin County Treasurer-Tax Collector, and four trustees elected by SJCERA members, one alternate retired member, and one currently vacant alternate member, elected by the Safety members.

As of December 31, 2019, SJCERA's membership included 8,332 active and inactive members and 6,208 retired members. Net assets totaled approximately \$3.5 billion as of December 31, 2020.

The Board of Retirement and SJCERA management are responsible for collecting, depositing, investing and managing trust funds for the purpose of providing benefits to members and their beneficiaries. SJCERA management and staff assist San Joaquin County in administering Post Employment Healthcare Plans for members. SJCERA management and staff are responsible for daily operations involving the administration of retirement, disability and death benefits, investments, member services, accounting, and information system management. Additional information regarding SJCERA's financial condition, investment policies and portfolio composition, and organization can be found in its [2019 Comprehensive Annual Financial Report \(CAFR\)](#) at www.sjcera.org.

B. Written Questions Related to the RFP

Written questions will be accepted only via e-mail at CyberSecurityRFP@sjcera.org. All questions must identify the RFP section and page number to which the question refers. Written questions to the above e-mail address will be accepted until 4:00 p.m. on Friday, March 26, 2021. Questions and responses thereto will be posted on SJCERA's website (www.sjcera.org) no later than April 2, 2021.

C. Notice of Intent

Each interested party must send a Letter of Intent to Propose to this RFP via e-mail to CyberSecurityRFP@sjcera.org on or before Friday, March 26, 2021. The Notice must include the title of the RFP to which you intend to respond, the single point of contact at your firm responsible for the RFP response and the telephone and e-mail information for this individual.

D. No Contact

No contact with SJCERA board members and SJCERA staff regarding the contents of this RFP will be allowed during the pendency of this RFP, with the exception of the submitted written questions.

E. No Reimbursement for RFP Expenses

SJCERA will not provide reimbursement for any fees, expenses, or other costs incurred in connection with this RFP including the costs of preparing the response, providing any additional information and attending an interview(s). All material submitted in response to this RFP will become the sole property of SJCERA. SJCERA expressly reserves the right to

utilize any and all ideas submitted in the proposals received unless covered by legal patent or proprietary rights.

F. Interviews

Interviews may be conducted at SJCERA's discretion. All Proposers selected for interview will be notified of the interview date(s) at least one week in advance.

G. Confidentiality

All responses to this RFP become the property of SJCERA and will be kept confidential until such time as a recommendation for award of a contract has been announced. Thereafter, submittals are subject to public inspection and disclosure under the California Public Records Act. If a Proposer believes that any portion of its submittal is exempt from public disclosure, such portion must be marked "Confidential." SJCERA will use reasonable and legally permissible means to ensure that such confidential information is safeguarded to the extent that SJCERA, in its independent judgment, concludes that the information is in fact exempt from disclosure, but SJCERA will not be liable for inadvertent disclosure of such materials, data and information. If proposals marked "Confidential" in their entirety, SJCERA will not deny public disclosure of all or any portion of submittals so marked.

By submitting information with portions marked "Confidential", the proposer represents it has good faith belief that such material is exempt from disclosure under the California Public Records Act and agrees to reimburse SJCERA for, and to indemnify, defend and hold harmless SJCERA, its officers, fiduciaries, employees and agents from and against: any and all claims, damages, losses, liabilities, suits, judgements, fines, penalties, costs and expenses including, without limitation, attorneys' fees, expenses and court costs of any nature whatsoever (collectively, "claims") arising from or relating to SJCERA's non-disclosure of any such designated portions of a proposal if disclosure is deemed required by law or court order.

III. SCOPE OF WORK

A. Introduction

The selected Proposer will perform cybersecurity assessment services including but not limited to:

- i. Risk Assessment
 - Determine cybersecurity risk as per maturity level (such as CMMC score etc.)

- Identify and provide evidence of potential Insider Threat
 - Identify processes to help remediate the items found
 - Define short- and long-term measurements for remediation
 - Provide executive summary of the findings
 - Incident Detection and Response recommendation
- ii. Audit
- IT General Controls Audit of the financial systems
 - Identify process to help remediate the items found
 - Define short- and long-term measurements for remediation
 - Provide executive summary of the findings
- iii. Vulnerability Assessment
- Assess, identify and provide evidence of potential vulnerabilities with the corporate network end points
 - Produce report(s) with details of potential vulnerabilities as well as the risk and severity levels
 - Assess, identify and provide evidence of potential vulnerabilities with Bring Your Own Device
 - Identify remote users, devices and 3rd party resources
 - Assess, identify and provide evidence of potential vulnerabilities with remote users, devices, infrastructure (such as application, host or network etc.)
 - Identify process to help remediate the items found
 - Define short- and long-term measurements for remediation
 - Provide executive summary of the findings
- iv. Penetration Testing
- External testing (with no special access granted from SJCERA/County)
 - Attempt to gain access to internet facing systems and attempt exfiltration of data
 - Attempt to enumerate, acquire, and exploit plaintext user credentials in order to perform privilege escalation
 - Collect opensource intelligence (OSINT) data and provide evidence of potential risk
 - Provide executive summary of the findings
 - Define short- and long-term measurements for remediation
 - Internal testing (foothold within SJCERA/County will be given)
 - Assess if it is possible to disrupt data integrity and availability

- Produce report(s) with details of potential vulnerabilities as well as the risk and severity levels
 - Identify process to remediate the items found
 - Define short- and long-term measurements for remediation
 - Provide executive summary of the findings
- v. Red Team Exercise (may be conducted at a future date)
- Identify process to help remediate the items found
 - Define short- and long-term measurements for remediation
 - Provide executive summary of the findings

B. Proposer Expectations

Expectation is that the assessments will be a combination of manual and automated activities. Functional and operational risk(s) to SJCERA and its business partner(s) shall be avoided at all cost and the SJCERA cybersecurity audit coordinator will be consulted before conducting any such activities. The selected Proposer shall complete the defined scope of work within the time period agreed upon by both parties.

Proposer shall be responsible for securing all sensitive data collected during this engagement. Data security details must be outlined and included as an exhibit to the agreement with SJCERA. Proposer will be required to permanently destroy sensitive information (including backups) between 90 and 120 days following the engagement. Additionally, Proposer shall provide an information security and data breach response plan document substantially similar to Exhibit D hereto, addressing protocols in the event of any data breach, resulting impacts to SJCERA and liabilities of Proposer.

C. Term of Engagement

A contract with an initial term not to exceed one (1) year is contemplated commencing on or about June 1, 2021 and the contract may be extended upon mutual agreement of both parties.

IV. MINIMUM QUALIFICATIONS

1. The Proposer must be a professional cybersecurity firm whose primary line of business includes providing cybersecurity assessment services, preferably to public pension plans, or similar government entities of substantial size.

2. The Primary Assessor performing the services under the contract must have a minimum of ten years of experience providing cybersecurity assessment services.
3. The Proposer must have all necessary permits and licenses. Liability as well as errors and omissions insurance must be in full force at the time the proposal is submitted and must be maintained throughout the term of the contract.
4. The Proposer must provide its own work facilities, equipment, supplies and support staff to perform the required services.

V. PROPOSAL REQUIREMENTS

A. Proposal Requirement

Proposers must submit one (1) original and one (1) USB flash drive of their proposal in a sealed package **no later than 4 p.m. PDT on Friday, April 23, 2021**. Proposals should be sent to:

Greg Frank
RFP Coordinator
San Joaquin County Employees' Retirement Association
6 S. El Dorado Street, Suite 400
Stockton, CA 95202

B. Proposal Form

Proposal shall be printed double-sided, and prepared in a simple, economical manner, with the sections tabbed to match those in the RFP, and with all the pages numbered within in each section. The proposal shall be prepared succinctly, providing a straight forward, concise description of the Proposer's ability to meet the requirements of the RFP.

Proposals and cost schedule shall be valid and binding for 180 days following the proposal due date and will become part of the contract that is negotiated with SJCERA.

Failure to complete any question or request for information, in whole or in part, or any deliberate attempt by the Proposer to mislead SJCERA, may disqualify the Proposer. Each Proposer shall provide the following in addition to describing their qualifications and commitment to providing the required scope of services.

C. Proposal Content

A complete Proposal shall include the following elements.

Section 1: Introduction and statement of understanding: an overall introduction to the proposal response including a statement of the Proposer's understanding of the project.

Section 2: General Qualifications:

- i. Organizational structure of the Proposer including organizational charts.
- ii. Any material changes to the organizational structure that has occurred in the last five (5) years.
- iii. Length of time the Proposer has been performing cybersecurity audits.
- iv. Length of time the Proposer has been performing cybersecurity audits.
- v. Number of full time IT cybersecurity assessors employed by the Proposer.
- vi. Discuss the Proposer's competitive advantage over other firms in providing cybersecurity services.
- vii. For the Proposer's office that will be assigned to SJCERA, complete Exhibit B, listing cybersecurity audits for large government units the Proposer deems similar to the projects described in this RFP.
- viii. Describe the Proposer's systems controls, security, and resources utilized to ensure the confidentiality and integrity of client data and information.

Section 3: Professional Staff Qualifications and Experience:

- i. List the name, title, and office location of the primary individual(s) who would be responsible for the SJCERA account.
- ii. Provide biography/profile/resume for each person identified above.
- iii. Describe what role the lead cybersecurity assessor will play in providing the required SJCERA services.

- iv. For the lead cybersecurity assessor, list their assignments for the past five (5) years. Include for each assignment the date of final report, whether the cybersecurity assessor was the primary or secondary, and the client's name.

Section 4: Potential Conflicts

- i. Provide details of any potential conflicts of interest related to any other client relationships, SJCERA affiliates, SJCERA trustees or staff if awarded the engagement.

Section 5: Legal Situations

- i. Has any officer or principal or your organization been involved in litigation or legal proceedings related to any cybersecurity auditing or other consulting activities? If so, provide a brief explanation and indicate the current status of proceedings.
- ii. Has your firm, or the Primary Assessor, within in the last ten (10) years been censured, decertified, prosecuted or fined? If so, please indicate the dates and describe the situation.
- iii. Has your firm, within in the last ten (10) years, ever experienced a cybersecurity breach? If so, please indicate the dates and describe the situation.

Section 6: Additional Information

- i. Indicate whether or not subcontractors will be used in providing the required cybersecurity services to SJCERA. If so, describe the specific services that would be subcontracted, the name of the subcontractor, the cost to the Proposer for these services, and how the Proposer will control the quality of services provided to SJCERA.

Section 7: Fee Schedule

- i. SJCERA anticipates awarding agreement(s) to perform cybersecurity services. Please propose your fee per Exhibit A and include as an attachment (per Section 9). Proposer may bid on any or all of the services requested in III.A.
- ii. The fee must be all-inclusive, as no additional charges will be allowed. There will be no additional reimbursement for travel time or expenses, telephone costs, copying costs, etc.

- iii. For additional services requested by SJCERA that are not included within the scope of work outlined in this RFP, please indicate your hourly time charges.

Section 8: References

- i. The Proposer shall provide at least one former client reference for which the Proposer performed cybersecurity auditing services, similar to those described in this RFP, within the last three (3) years.
- ii. The Proposer shall provide at least three (3) current client references for which the Proposer performs cybersecurity auditing services, similar to those described in this RFP, within the last three (3) years.
- iii. The Proposer shall provide the following information for the references named in i and ii above:

Entity Name	
Entity Address	
Website	
Nature of Business	
Primary Contact Name, Title, Telephone Number, and Email	
Nature and Length of Relationship	
Description of Services Provided	

SJCERA reserves the right to contact any of the individuals/agencies provided.

Section 9: Attachments to Proposal

The following is a list of required Attachments to the proposal:

- Proposer’s Financial Information or Audited Financial Statements
- Example Cybersecurity Report
- Fixed Fee Schedule - Exhibit A
- Listing of Cybersecurity Audit Projects – Exhibit B
- Additional Materials – materials and information not specifically requested, but which the Proposer wishes to submit.

VI. PROPOSAL SELECTION AND EVALUATION

A. General Information

SJCERA reserves the right to reject any or all proposals and is not liable for any costs the Proposer incurs while preparing the proposal. Upon the completion of the evaluations, SJCERA intends to negotiate a contract with the Proposer(s) whose proposal is deemed to be most advantageous to SJCERA.

B. Presentations

Proposers may be selected to give an oral presentation. Such presentation shall provide an opportunity for Proposers to clarify their proposal to ensure there is a mutual thorough understanding. SJCERA staff may interview selected Proposers and ask additional questions related to the proposal and the scope of work prior to an oral presentation. Interviews and oral presentations are conducted at SJCERA's discretion. Proposers selected for an interview or oral presentation will be notified of the date at least one week in advance. Proposers invited to an interview or oral presentation will be responsible for making and paying for their own travel arrangements.

C. Scoring and Evaluation Criteria

Proposals will be judged on completeness and quality of content. SJCERA is seeking to contract with a Proposer(s) that has the appropriate qualifications using appropriate methodology to ensure delivery of a quality product, and that has extensive demonstration experience with, and an understanding of, similar projects.

SJCERA reserves the right to determine the best qualified Proposer and negotiate a final scope of service and cost, negotiate a contract with another Proposer if an agreement cannot be reached with the selected Proposer, or reject all proposals. The selected Proposer(s) will be required to enter into a professional services contract with SJCERA, which will incorporate the scope of service as part of the agreement.

VII. CONTRACT REQUIREMENTS

A. Contract Award

The award of a contract is accomplished by executing a written agreement with SJCERA that incorporates the entire RFP. A form of the Contract is attached as Exhibit C. Selected Proposer(s) must agree to provide

SJCERA with audit access on request during the term of the contract and for seven (7) years thereafter.

SJCERA shall have the right to terminate this agreement upon 30 days written notice to the Proposer.

B. Contract Requirements

The Proposer(s) must be covered by Workers' Compensation Insurance, which will extend to and include work in California. In addition, the Proposer(s) must also submit documents addressing general liability insurance, errors and omissions, fiduciary liability, cyber liability, automobile liability, and an indication that there is no conflict of interest on the part of the Proposer's submission of a proposal for the services being solicited under this RFP. The Proposer(s) shall demonstrate willingness and ability to provide Certificates of Insurance within ten (10) days of the Notice of Contract Award.

C. Contract Approval

Selection of a successful Proposer(s) shall not be binding until it has been approved by SJCERA.

Draft

Exhibit A

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

REQUEST FOR PROPOSAL No. 2021-02

FOR

CYBERSECURITY AUDITING SERVICES

SAMPLE FIXED FEE PROPOSAL

NAME OF PROPOSER

Fees must be submitted in U.S. dollars in the format prescribed below. The proposed fixed fee must include all costs and expenses related to providing cybersecurity auditing services as described in this RFP to SJCERA, including travel. Other unusual or extraordinary expenses may be allowed, but only if requested by the Proposer and authorized by SJCERA in advance. The proposed fixed fee must be guaranteed for the term of the contract.

Contract Term	Proposed Fixed Fee
Risk Assessment	\$ _____
Audit	\$ _____
Vulnerability Assessment	\$ _____
Penetration Testing	\$ _____
Red Team Exercise	\$ _____
Total Year 1	\$ _____

Hourly fee for services outside scope of this RFP: \$ _____

Proposer warrants that the proposed fee does not exceed those charged any other client for the same services.

Signature

Date

Printed Name

Title

Exhibit B

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
REQUEST FOR PROPOSAL No. 2021-02
FOR
CYBERSECURITY AUDITING SERVICES

LISTING OF CYBERSECURITY PROJECTS

NAME OF PROPOSER

For the Proposer's office that will be assigned to SJCERA, list cybersecurity audit projects the Proposer deems similar to the scope of work described in this RFP.

Name of Entity	Nature of Business	Years of Engagement	Scope of Work	Date(s) Completed

Exhibit C

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

REQUEST FOR PROPOSAL No. 2021-02

FOR

CYBERSECURITY AUDITING SERVICES

SAMPLE CONTRACT

Draft

Exhibit D

SAN JOAQUIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

REQUEST FOR PROPOSAL No. 2021-02

FOR

CYBERSECURITY AUDITING SERVICES

Information Security and Data Breach Response

Draft