



Pennsylvania Department of the

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## News for Immediate Release

July 25, 2016

### **Auditor General DePasquale Launches Audits of Two State Employee Retirement Systems' Management of \$78 Billion in Assets**

*Simultaneous performance audits to review operations, expenses of SERS, PSERS*

**HARRISBURG** – Auditor General Eugene DePasquale today announced that he is launching simultaneous audits of the two retirement systems that manage \$78 billion in assets for more than 854,000 state and school employees and retirees.

“Nearly a million Pennsylvanians put a lot of trust and money in the state’s two largest public pension plans — the Public School Employees' Retirement System (PSERS) and the Pennsylvania State Employees' Retirement System (SERS),” DePasquale said. “I want to ensure that both systems are operating as efficiently, effectively and transparently as possible.”

The PSERS audits will cover July 2013 through the end of the audit work; SERS will cover January 2013 through the end of the audit work. Preliminary objectives for each audit will be to:

- Determine if SERS and PSERS appropriately follow the Public Employee Pension Forfeiture Act (Act 140 of 1978, as amended) and its associated regulations for public employees convicted of certain crimes relating to public office or public employment,
- Determine if SERS’ and PSERS’ governance structures, delineation of decision-making responsibility, investment expertise, and resources are adequate to provide effective oversight of investment operations,
- Determine if SERS’ and PSERS’ external investment advisors and consultants are properly procured and investment fees are reasonable and consistent with investment performance measures, and
- Evaluate the diversity of SERS’ and PSERS’ investment portfolio to determine if the investment strategies are prudent to minimize risk based on market conditions.

Once completed next year, the audit reports will be available online at: [www.PaAuditor.gov](http://www.PaAuditor.gov).

More information about PSERS and SERS is available online at: [www.psers.state.pa.us](http://www.psers.state.pa.us); and [www.sers.pa.gov](http://www.sers.pa.gov).

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