

# LIMITED PROCEDURES ENGAGEMENT

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## Steel Rivers Council of Governments Non-Uniformed Pension Plan

Allegheny County, Pennsylvania  
For the Period  
January 1, 2012 to December 31, 2015

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September 2016



Commonwealth of Pennsylvania  
Department of the Auditor General

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Steel Rivers Council of Governments  
Allegheny County  
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We conducted a Limited Procedures Engagement (LPE) of the Steel Rivers Council of Governments Non-Uniformed Pension Plan for the period January 1, 2012 to December 31, 2015 to determine its compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies. We also evaluated compliance with some requirements subsequent to that period when possible. The LPE was conducted pursuant to authority derived from Section 402(j) of the Municipal Pension Plan Funding Standard and Recovery Act (P.L. 1005, No. 205, as amended, 53 P.S. § 895.101 *et seq.*) but was not conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. The act established mandatory actuarial reporting and funding requirements and a uniform basis for the distribution of state aid to Pennsylvania's public pension plans. We believe that the evidence obtained provides a reasonable basis to support our LPE results.

Our LPE was limited to determining the following:

- Whether state aid was properly determined and deposited in accordance with Act 205 requirements by verifying the annual deposit date of state aid and determining whether deposits were made within 30 days of receipt for all years within the engagement period. State aid allocations that were deposited into the pension plan for the years ended December 31, 2010 to December 31, 2015, are presented on the Summary of Deposited State Aid and Employer Contributions.
- Whether annual employer contributions were calculated and deposited in accordance with the plan's governing document and applicable laws and regulations by examining the municipality's calculation of the plan's annual financial requirements and minimum municipal obligation (MMO) and comparing these calculated amounts to amounts actually budgeted and deposited into the pension plan as evidenced by supporting documentation. Employer contributions that were deposited into the pension plan for the years ended December 31, 2010 to December 31, 2015, are presented on the Summary of Deposited State Aid and Employer Contributions.

- Whether annual employee contributions were required during the engagement period and, if so, were calculated, deducted, and deposited into the pension plan in accordance with the plan's governing document and applicable laws and regulations by testing members' contributions on an annual basis using the rates obtained from the plan's governing document in effect for all years within the engagement period and examining documents evidencing the deposit of these employee contributions into the pension plan.
- Whether retirement benefits calculated for plan members who retired during the engagement period represent payments to all (and only) those entitled to receive them and were properly determined and disbursed in accordance with the plan's governing document, applicable laws and regulations by recalculating the amount of the pension benefit due to retired individuals and comparing these amounts to supporting documentation evidencing amounts determined and actually paid to recipients.
- Whether the January 1, 2011, January 1, 2013, and January 1, 2015 actuarial valuation reports were prepared and submitted to the Public Employee Retirement Commission (PERC) by March 31, 2012, 2014, and 2016, respectively, in accordance with Act 205 and whether selected information provided on these reports is accurate, complete, and in accordance with plan provisions to ensure compliance for participation in the state aid program by comparing selected information to supporting source documentation.

Based on the results of our procedures performed during our LPE, nothing came to our attention indicating that the Steel Rivers Council of Governments Non-Uniformed Pension Plan was not being administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies.

Our determination to perform a LPE for this engagement period does not preclude the Department from conducting an audit in accordance with *Government Auditing Standards* of the pension plan in subsequent periods. The council should continue to maintain documentation related to this pension plan.

The contents of this letter were discussed with officials of the Steel Rivers Council of Governments and, where appropriate, their responses have been included in this letter. We would like to thank council officials for the cooperation extended to us during the conduct of this LPE.

September 15, 2016



EUGENE A. DEPASQUALE  
Auditor General

## CONTENTS

	<u>Page</u>
Summary of Deposited State Aid and Employer Contributions.....	1
Comment.....	2
Distribution List .....	3

STEEL RIVERS COUNCIL OF GOVERNMENTS NON-UNIFORMED PENSION PLAN  
SUMMARY OF DEPOSITED STATE AID AND EMPLOYER CONTRIBUTIONS

Year Ended December 31	State Aid	Employer Contributions
2010	\$ 16,174	None
2011	14,926	\$ 1,537
2012	14,304	1,972
2013	15,537	888
2014	15,491	3,575
2015	20,578	778

STEEL RIVERS COUNCIL OF GOVERNMENTS NON-UNIFORMED PENSION PLAN  
COMMENT

The Steel Valley Council of Governments (SVCOG) General Assembly at its meeting on December 4, 2014, adopted Resolution No. 5-2014 which formally approved and authorized a Merger Agreement with the Twin Rivers Council of Governments (TRCOG) effective October 1, 2015. The SVCOG amended its Articles of Incorporation to change the name of the entity to the Steel Rivers Council of Governments (SRCOG). After the merger date, all former SVCOG and TRCOG employees became employees of SRCOG. Also, all assets and liabilities of TRCOG and SVCOG became the assets and liabilities of the SRCOG. The pension plan account's name officially changed from SVCOG to SRCOG effective February 1, 2016.

STEEL RIVERS COUNCIL OF GOVERNMENTS NON-UNIFORMED PENSION PLAN  
DISTRIBUTION LIST

This letter was initially distributed to the following:

**The Honorable Tom W. Wolf**  
Governor  
Commonwealth of Pennsylvania

**Ms. An Lewis**  
Co-Executive Director

**Mr. John Palyo**  
Co-Executive Director

This letter is a matter of public record and is available online at [www.PaAuditor.gov](http://www.PaAuditor.gov). Media questions about the letter can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 229 Finance Building, Harrisburg, PA 17120; via email to: [news@PaAuditor.gov](mailto:news@PaAuditor.gov).