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December 4, 2017

To the Board of Trustees and
Investment Committee
General Retirement System
of the City of Detroit

We have audited the financial statements of the Combined Plan for the General Retirement System of the City of Detroit (the "Combined Plan") as of and for the year ended June 30, 2017 and have issued our report thereon dated December 4, 2017. Professional standards require that we provide you with the following information related to our audit, which is divided into the following sections:

Section I - Internal Control Related Matters Identified in an Audit

Section II - Required Communications with Those Charged with Governance

Section III - Other Recommendations and Related Information

Section I includes any deficiencies we observed in the Combined Plan's accounting principles or internal control that we believe are significant. Current auditing standards require us to formally communicate annually matters we note about the Combined Plan's accounting policies and internal control.

Section II includes information that current auditing standards require independent auditors to communicate to those individuals charged with governance. We will report this information annually to the board of trustees and investment committee of the Combined Plan.

Section III presents recommendations related to internal control, procedures, and other matters noted during our current year audit. These comments are offered in the interest of helping the Combined Plan in its efforts toward continuous improvement, not just in the areas of internal control and accounting procedures, but also in operational or administrative efficiency and effectiveness.

We would like to take this opportunity to thank the Combined Plan's staff for the cooperation and courtesy extended to us during our audit. Their assistance and professionalism are invaluable.

This report is intended solely for the use of the board of trustees, the investment committee, and management of the General Retirement System of the City of Detroit and is not intended to be and should not be used by anyone other than these specified parties.

To the Board of Trustees and
Investment Committee
General Retirement System
of the City of Detroit

December 4, 2017

We welcome any questions you may have regarding the following communications and we would be willing to discuss any of these or other questions that you might have at your convenience.

Very truly yours,

Plante & Moran, PLLC

Michelle Watterworth

Michelle M. Watterworth

Ali Hijazi

Ali H. Hijazi

Section I - Internal Control Related Matters Identified in an Audit

In planning and performing our audit of the financial statements of the Combined Plan as of and for the year ended June 30, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the Combined Plan's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Combined Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Combined Plan's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and another deficiency that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

We consider the following deficiencies in the Combined Plan's internal control to be material weaknesses:

Controls Over the Combined Plan's Financial Reporting Process:

- **Trial Balance Review/Year-end Journal Entries (Repeat Finding)** - The Combined Plan continues to make improvements in maintaining complete and accurate financial records. While our audit procedures did not identify any journal entries that were individually or collectively material to the financial statements, we did identify a few actual and proposed adjustments, which are described below. Additionally, the process for reviewing the year-end balances resulted in delays in the start of the audit and delayed submission of information to the actuary required to complete the Combined Plan's GASB Statement No. 67 actuarial valuations. The following is a summary of the adjustments identified:

  - The Combined Plan understated the UTGO Stub Bond receivable by $3.6 million for Component II and $1.5 million for ISF.

  - The Combined Plan accrued refunds of member annuities for fiscal year 2017; however, the refunds were not approved by the board of trustees until July 2017. The annuity refunds are due and payable to members upon board of trustee approval. As a result, liabilities and expenses are overstated by $1.4 million.

  - Several income statement reclassifications were identified in the audit and posted as audit journal entries.

- **Controls over Recording Investment Sales** - The Combined Plan has investments which are held outside of the Combined Plan's custodian, Bank of New York. The investment values are not updated throughout the year in the Combined Plan's accounting records. The current process for recording a sale made during the year is to write off the investment during the year-end closing process. As the investment is not being written off at the time sale proceeds are received, this could result in a misstatement if any of the proceeds were not received by Bank of New York. During our audit, we noted two instances where proceeds from the sale of these investments were held in bank accounts not reflected in the Combined Plan's general ledger; as a result, approximately $25 million in additional assets was recognized during the year. We recommend the Combined Plan adjust investment values as sales occur, and incorporate verification procedures to ensure the proceeds from such sales are properly reflected in the accounting records.

Preparation and Review of Bank Reconciliations (Repeat Finding)

- The Combined Plan has approximately $1.3 billion at Bank of New York in various investments as well as multiple accounts at First Independence Bank (FIB). At the end of every month, the Combined Plan should be reconciling the amounts at the bank with the amounts recorded in the Combined Plan's general ledger on a timely basis. In addition, the Combined Plan should record activity in the general ledger based on statements from Bank of New York, which reflect fair value of the assets. This will ensure accurate representation of the Combined Plan's financial position throughout the year. While the reconciliations for the FIB accounts were performed and reviewed timely each month, the reconciliations for the Bank of New York investments were not performed timely. For fiscal year 2017, reconciliations for the first six months were not prepared until January 2017 and the last six months were not prepared until July 2017. Timing of these monthly reconciliations is imperative to ensure that the transactions recorded by the Combined Plan match the transactions recorded at the bank. Furthermore, timely preparation and review of these reconciliations serves as a key control to ensure that the financial reports generated by the Combined Plan are accurate.

Segregation of Duties/Monitoring Controls (Repeat Finding)

- **First Independence Bank** - During the prior year audit, we noted transfers out of FIB accounts could be performed by a single authorized user and there were many authorized users on these accounts who are not regularly involved in transfers. While the Combined Plan removed many authorized users to only include those normally involved in making transfers, the ability for a single authorized individual to independently initiate and release a transfer remained in place. As more transactions are performed electronically, it is critical that the Combined Plan has the proper controls surrounding online banking transactions. As part of the audit, we did not note any unauthorized or inappropriate activity. However, in order to further strengthen internal controls over cash disbursements, we recommend that the Combined Plan implement adequate preventive measures to limit the ability of a single individual to make a large cash disbursement without secondary approval. Lack of such a control may result in a material misappropriation of assets that is not detected timely.

Controls Over the Combined Plan's Census Data and Actuarial Valuation Process (Repeat Finding)

The Combined Plan has to accumulate and transmit voluminous member data to the actuary. The actuary then uses this information to prepare the actuarial valuation, which impacts the calculation of the annual required contribution (ARC) and the actuarial accrued liability (AAL) for funding purposes and, under GASB Statement No. 67, impacts the total pension liability disclosed in your financial statements. It is key that the information that is provided to the actuary is complete and accurate in order to ensure that the funding levels, AAL, and disclosures under GASB Statement No. 67, including the total pension liability, are also accurate.

- **Controls Over Actuarial Reporting** - The Combined Plan provides information on an annual basis to the actuary in order for the actuary to compute the total pension liability under GASB Statement No. 67, as well as the ARC and AAL for funding purposes. The information provided by the Combined Plan includes data for all participants in the Combined Plan, such as pay information, date of birth, date of hire, etc. and enables the actuary to project the present value of future benefit payments. Prior to providing the information to the actuary, the Combined Plan does perform certain tests on the data. However, during our testing, we noted several instances of errors in the data or missing data that resulted in incomplete information. The following table lists the issues found during the audit and related recommendations to resolve.

Issue	Recommendation
Frozen Accrued Benefits (Component II) - As Component II is frozen as of June 30, 2014, a calculation of individuals' frozen accrued benefits for active members should be performed and provided to the actuary. Currently, these calculations have not been performed and the actuary is estimating based on average final compensation (AFC) and sick bank data as of June 30, 2014 provided by the Combined Plan. The actuary has increased the frozen accrued benefit estimates by 2 percent to provide consistency with a limited number of actual computations.	The Combined Plan should perform the calculations of the final frozen accrued benefits as of June 30, 2014 and provide to the actuary as this would result in the most accurate calculation of the total pension liability of Component II.
Completeness and Accuracy of Census Data (Components I and II) - Based on our testing, it was noted some members were either improperly included or excluded from the data sent to the actuary. In Component I, members are allowed a refund of their mandatory contributions. If they elect a refund, they forgo any future pension from Component I. PM noted approximately 250 individuals who received a refund were still included in the census data. Also, we noted some key employee data was missing for members and demographic information for some members were incorrect.	As the Component I and II census data is retained in the same database, the Combined Plan should have a process in place to accurately determine which members are eligible for each plan. Also, as the Combined Plan obtains a significant amount of data from the City of Detroit, Michigan, we recommend a review of census data prior to sending to the actuary to identify any missing data and work with the City to obtain such data.

Issue	Recommendation
Active Pay Amount (Component I) - The actuary uses an active member's current pay in their calculation of determining a member's estimated future benefit. Based on our testing, we noted some discrepancies between the pay information provided to the actuary and pay information from the City.	The Combined Plan should perform sample testing on the data sent to the actuary to ensure it is providing the proper compensation information, as defined in the Plan of Adjustment.
Member Classifications (Components I and II) - During testing, it was noted some members were incorrectly classified between the three statuses (active, deferred, or retired). Incorrect classification leads to inaccurate actuarial calculations being performed on those members.	The Combined Plan should strengthen the process of classifying individuals within the census data. With some of this information derived from data received from the City of Detroit, Michigan, the Combined Plan should work with the City to gain more accurate member status.
Death Audit (Components I and II) - It was noted a death audit was not performed on the deferred members' list sent to the actuary. These issues could lead to the pension liability being misstated due to incomplete or inaccurate information.	We encourage the Combined Plan to put in place more comprehensive procedures to further ensure the accuracy of this census data being used by the actuary.

In addition, based on discussions with the actuary and review of the actuarial valuations, it was noted significant work is performed on the original census data provided by the Combined Plan that ultimately is used in the valuations. This includes removing ineligible individuals and re-classifying individuals between the different statuses (active, deferred, retired). The Combined Plan should implement more comprehensive procedures to provide the actuary complete and accurate data from the onset.

Controls Over the Combined Plan's Information Technology Processes (Repeat Finding)

The Combined Plan has a complex modifiable information technology Combined Plan that integrates with the City of Detroit, Michigan's (the "City") various payroll databases. The Combined Plan's IT department is independent of the City and the Combined Plan's other departments. The security provided by the IT system is important to the validity and the accuracy of the data maintained, including the general ledger and the census information provided to the actuary. Although the Combined Plan is currently in the process of modifying the information technology system, including a new general ledger system implemented toward the end of fiscal year 2017, we offer the following which the Combined Plan should keep in mind as it continues to fully implement the new ERP system:

- Use of automated logs: The Combined Plan uses customized software for all of the Combined Plan's needs which includes the general ledger and benefits calculation applications, which are managed internally by the Combined Plan's IT personnel and can be modified by the IT department. For all changes to that software, there should be an automated log maintained listing those changes and no single individual should be able to effect a change without proper authorization. Currently, the Combined Plan does have a process to review, authorize, and track changes, but it is not automated and is therefore subject to human error and possible circumvention.

- Master file changes: Additionally, it is recommended that the Combined Plan implement processes to ensure that master file changes are documented, authorized, and reviewed. The lack of this documentation could result in unauthorized and undocumented changes that go undetected by the Combined Plan.

- Segregation of duties: Finally, it was noted that multiple individuals with access to the pension payroll application could go in and change an individual's pension amount without authorization. The Combined Plan should have controls in place to prevent and detect unauthorized changes to individuals' pension amounts.

  Segregation of duty controls provides a separation of users with access to program source code and users with the ability to make or implement changes into the production environment. The ability to make or implement program source code changes should be limited to individuals who cannot access and edit source code. The lack of this control could result in inaccurate or unauthorized changes.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in the Combined Plan's internal control to be a significant deficiency:

- **Bank Accounts Associated with Alternative Investments** - Several of the LLCs that were created for the various real estate alternative investments owned 100 percent by the Combined Plan that are managed by American Realty Advisors (ARA) have separate bank accounts that are also managed by ARA. The transactions running through these accounts are primarily the monthly rental payments from the tenants and the monthly operating expenses. ARA is providing the Combined Plan with copies of the bank statements as well as the bank reconciliations and check registers. The Combined Plan currently is not reviewing this activity. In order to ensure that the Combined Plan is appropriately monitoring these funds, the Combined Plan needs to add this review to its periodic controls. Absent these additional controls, transactions could be occurring within the bank accounts that have not been authorized by the Combined Plan.

In addition, these bank accounts with which ARA has custody are subject to an annual surprise audit by an external accounting firm, the scope of which is dictated by the parameters of the Investment Advisors Act of 1940. As part of the audit, the accounting firm will issue a report regarding its findings to the SEC, the results of which the Combined Plan should closely monitor.

Section II - Required Communications with Those Charged with Governance

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated July 18, 2017, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the Combined Plan. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our letter about planning matters dated July 31, 2017.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Combined Plan are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year.

We noted no transactions entered into by the Combined Plan during the year for which there is a lack of authoritative guidance or consensus.

There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

As explained in Note 1, the financial statements include investments valued at approximately $276,000,000 (14 percent of net position) at June 30, 2017, whose fair values have been estimated by management in the absence of readily determinable market values.

Section II - Required Communications with Those Charged with Governance (Continued)

The valuation of alternative investments constitutes a very sensitive and very significant estimate affecting the financial statements. Management uses various means to value the investments, including utilizing a third-party valuation firm, confirmations from the investment managers, periodic appraisals, guidance from real estate advisors, etc. These estimates are very subjective and highly sensitive to change. We believe management's estimates are in accordance with GAAP.

The financial statement disclosures and required supplemental information schedules contain information about the Combined Plan's total pension liability. In order to determine the total pension liability, the actuary must apply certain assumptions, which are highly sensitive to estimation. The most sensitive estimates used in the valuation were as follows:

- <u>Assumed long-term rate of return</u>: For the purpose of GASB Statement No. 67, as of June 30, 2017, the Combined Plan is currently using 6.91 percent for the assumed long-term expected rate of return based on information provided by the Combined Plan's investment advisor combined with calculations performed by the Combined Plan. This assumed rate of return has decreased from the 7.23 percent assumption used by the Combined Plan as of June 30, 2016. Nationally, this long-term rate of return assumption has garnered significant public attention, with many being critical of the average return assumption used by plans across the United States, which according to a February 2017 National Association of State Retirement Administrators (NASRA) study was 7.50 percent. Nationally, the trend continues to show a continued decline in this assumption, and we believe that trend will continue. We encourage the Combined Plan to continue to be critical of this significant assumption, watch the trends nationally, and reevaluate the return assumption annually with a critical eye. Please note that this assumption related to the long-term assumed rate of return is for financial reporting purposes only; the plan of adjustment requires that the projected rate of return for funding purposes be 6.75 percent.

- <u>Single discount rate calculation</u>: The calculation of the single discount rate under GASB Statement No. 67, which is calculated using the long-term assumed rate of return as one of many assumptions, is highly sensitive to estimates the actuary makes about future contributions and future benefit payments. Inherent in those assumptions is some subjectivity surrounding the projection of future contributions, since the Combined Plan does not have an explicit written funding policy dictating contributions after 2023. The assumption made in these calculations is that the actuarially assumed contributions will be made at rates sufficient to fund the benefits by amortizing the unfunded liability over a closed 30-year period.

- <u>Accuracy of census data elements</u>: The actuarial valuation relies heavily on the accuracy of the census data provided by the Combined Plan. We tested the accuracy of this data and noted some errors in the data; however, we do not believe the magnitude of these errors would materially impact the results of the valuation. Additionally, the Combined Plan's actuary still has not been provided with the calculations of the frozen accrued benefits for active members, which is key to estimating the total pension liability (TPL) disclosed within these financial statements for Component II. The actuary estimated these amounts in order to determine the TPL. Based on our testing, we believe those estimates, combined with an actuarial adjustment, result in a materially accurate TPL.

- <u>Mortality assumptions</u>: The assumptions about mortality were estimated by the actuary based on the results of an experience study issued in February 2015. Generally, the actuary used the RP-2014 Blue Collar Annuitant Table for males and females, projected on a fully generational basis.

- <u>Other assumptions</u>: All other assumptions in the actuarial valuation are based on an experience study for the period 2002-2007. Given this experience study is over 10 years old, and could significantly impact the valuation results, particularly for Component I, we encourage the Combined Plan to discuss updating these assumptions with their actuary.

Disclosure of these assumptions and resultant sensitivity of the discount rate can be found in Notes 7 and 8 to the financial statements.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement and schedule users. The most sensitive disclosures affecting the financial statements and the schedules are the disclosures related to GASB Statement No. 67, including the actuarial valuation results.

Difficulties Encountered in Performing the Audit

We are required to inform those charged with governance of any serious difficulties encountered in dealing with management related to the performance of the audits. While we did not receive the completed trial balance and schedules on the timeline set by management and planned for in our audit, we are pleased to report we encountered no other significant difficulties in performing and completing our audit.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. During the audit, we identified adjustments to receivables, liabilities, expenses, and income statement reclassifications which were corrected by management.

In addition, the attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Significant Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the Combined Plan, and business plans and strategies that may affect the risks of material misstatement with management each year prior to our retention as the Combined Plan's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition of our retention.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 4, 2017.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Combined Plan’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Attachment

Client: **Combined Plan for the General Retirement System of the City of Detroit**
Opinion Unit: **Combined Plan**
Y/E: **6/30/2017**

SUMMARY OF UNRECORDED POSSIBLE ADJUSTMENTS

The effect of misstatements and classification errors identified would be to increase (decrease) the reported amounts in the financial statement categories identified below:

Ref. #	Description of Misstatement	Current Assets	Long-term Assets	Current Liabilities	Long-term Liabilities	Equity	Revenue	Expenses	Net Income Statement Impact
FACTUAL MISSTATEMENTS:									
A1	Accrual of annuity refunds not approved and paid until fiscal year 2018			$ (1,460,709)				$ (1,460,709)	$ 1,460,709
JUDGMENTAL ADJUSTMENTS:									
B1	None								
PROJECTED ADJUSTMENTS:									
C1	None								
ITEMS UNABLE TO AUDIT:									
D1	Insight investment - Plante & Moran, PLLC is unable to obtain sufficient audit evidence	$ (6,800,000)	$ -	-	$ -	$ -	$ -	6,800,000	(6,800,000)
	Total	**$ (6,800,000)**	**$ -**	**$ (1,460,709)**	**$ -**	**$ -**	**$ -**	**$ 5,339,291**	**$ (5,339,291)**

PASSED DISCLOSURES/FINANCIAL REPORTING MATTERS:

E1	Money-weighted rate of return net of investment expenses - The System calculated return is 12.6 percent. We are unable to audit this rate of return.
E2	The total pension liability, as calculated by the actuary, is based on census information that is either incomplete or inaccurate. The total pension liability would be different had accurate and complete information been provided to the actuary.
E3	Covered payroll reported in the required supplemental information for the Legacy Plan excludes overtime and longevity pay, which was included as compensation for purposes of determining employer contributions. GASB Statement No. 82 requires reported covered payroll to be the payroll on which contributions to the plan are based.

Section III - Other Recommendations and Related Information

During our audit, we noted areas where we believe there are opportunities for the Combined Plan to further strengthen internal control or to increase operating efficiencies. Our observations on those areas are presented for your consideration below:

- **Contributions Received from the City of Detroit, Michigan (the "City")**

    - **Employee Contributions** - The Combined Plan receives employee contributions directly from the City. The City deducts the amount from the employee and remits to the Combined Plan periodically. The Combined Plan's IT department collects data on these contributions to properly track the contributions by individual. Currently, no reconciliation of employee contribution money received from the City and data IT received from the City indicating how much each member contributed is being performed. It is recommended a reconciliation be performed to ensure the Combined Plan is receiving the proper amount of funds, which are being credited to an individual's account.

    - **Employer Contributions** - We noted the Combined Plan relies on the pensionable wage information that comes from the City in order to calculate the amount of employer contributions to the Hybrid Plan. The Combined Plan should consider whether independently testing/verifying these pensionable wages would benefit the Combined Plan by further ensuring the base amount on which contributions are calculated are complete and accurate.

- **Information Technology Processes**

    - During our testing, we noted no formal process to disable access for terminated individuals. We recommend the Combined Plan have a formal process for HR to fill out a termination form and send to IT and perform it timely. In addition, all new hires should be also timely documented.

    - There currently is no formal process to fill out a production release form. Usually a member of the IT department will inform Ray Tchou to review a production change. Ray is the only individual with the ability to release a production change. We recommend the Combined Plan have a formal policy for individuals to fill out a production form to document change requests.

    - The current account lockout threshold for users' accounts to Combined Plan applications is 10 invalid logon attempts. The Combined Plan should consider lowering the amount of invalid logon attempts before locking out a user.

- **Benefit Payment Calculations**

    - Pension factors are used in calculating an individual's pension payment based on age and option selected. Currently, the pension factor used in the calculation of benefit payments is using an old mortality table (1984 table) and an 8 percent rate of return. Pension factors should get updated with a newer mortality table (RP-2014 mortality table is currently being used in the actuarial valuations) and rate of return of 6.75 percent (current rate of return used for funding purposes as stipulated by the Plan of Adjustment).

- o During testing, it was noted the Combined Plan was unable to provide any support for one individual who was granted military service credit for their benefit calculation. The Combined Plan should ensure it has proper procedures in place to retain the support for each benefit calculation.

- **Documentation of Reconciliations**

  Reconciliations in Microsoft Excel - We noted various reconciliations prepared in Microsoft Excel that do not have consistent documentation of preparation date or sign-off process. The Combined Plan should consider adding a formal sign-off process when electronic reconciliations are prepared and reviewed to help better produce an audit trail.