



**Pension Office Digitization and  
Cybersecurity Review Project  
P2023-07**

Issued by the  
Internal Audit Department  
October 30, 2024



# Internal Audit Department

**MAYOR**  
Oscar Leeser

**DATE:** October 30, 2024

**TO:** Robert B. Ash, MBA, JD, Executive Director & Legal Advisor

**FROM:** Edmundo S. Calderon, CIA, CGAP, CRMA, Chief Internal Auditor

**CITY COUNCIL**

**SUBJECT:** Pension Office Digitization and Cybersecurity Review Project P2023-07

**District 1**  
Brian Kennedy

At your request, the Internal Audit Department conducted a review of The City of El Paso Employees Retirement Trust (CERT) digitization of retiree's records. This engagement was accepted based on the engagement's potential to support the evaluation and improvement of the organization's governance, risk management, and control processes (IIA 9.4). The work performed does not constitute an engagement conducted in accordance with *Generally Accepted Government Auditing Standards* (GAS1.16). The observations and conclusions that are reported in this memorandum do not require Management Responses.

**District 2**  
Dr. Josh Acevedo

**District 3**  
Cassandra Hernandez

**District 4**  
Joe Molinar

**Background:**

**District 5**  
Isabel Salcido

The City of El Paso Employees Retirement Trust (CERT) provides secure retirement benefits, prompt professional and courteous services to retirees from the City of El Paso. The CERT Pension Office is located at 1039 Chelsea St. El Paso TX, 79903. CERT is responsible for processing pension payments to retirees, handling applications, and processing any documentation needed for each retiree. CERT paid \$77,170,433 in benefits to retirees and their beneficiaries over the last Fiscal Year.

**District 6**  
Art Fierro

**District 7**  
Henry Rivera

**Objectives:**

**District 8**  
Chris Canales

The objectives of this review were to perform an assessment of CERT's processes to digitize retiree records and evaluate cybersecurity controls for changes to retiree records.

**CITY MANAGER**  
Dionne Mack

**Scope:**

Fiscal Year 2023.

**Methodology:**

To achieve our audit objectives, we:

- Interviewed staff responsible for processing retirement applications and refund applications.
- Obtained an understanding of the process of digitizing retiree records.
- Conducted a site visit of the CERT Pension Office to examine where digitization is conducted and where hardcopy records are kept in storage.
- Obtained retiree data containing over 4,000 participant records.
- Were granted read-only access to the Pension Technology Group (PTG) System to verify accuracy of digitized retiree records.

**Edmundo S. Calderon, CIA, CGAP, CRMA – Chief Internal Auditor**

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## MAYOR

Oscar Leeser

## CITY COUNCIL

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## CITY MANAGER

Dionne Mack

## Results:

Based on our review, we have identified the following two (2) observations:

### OBSERVATION 1

#### Application and Digitization Process

City of El Paso's Strategic Plan:

- Goal 6.2 *Implement employee benefits and services that promote financial security.*
- Goal 6.3 *Implement programs to reduce organizational risk.*
- Goal 6.12 *Maintain systems integrity, compliance, and business continuity.*

We reviewed the process of scanning hardcopy Retirement Applications and Refund Applications. The Applications follow documented steps to get processed and digitized. The process is overseen by different members of CERT staff to ensure that each record is accurate, applicable, and scanned.

Based on the results of the review, we identified that:

- CERT has step by step procedures to ensure the accurate completion and approval of Retirement Applications and Refund Applications.
- CERT has documented processes for digitizing retiree's records into to the PTG System.

### RECOMMENDATION

CERT has well established Retirement and Refund Application completion and approval processes. CERT should continue to follow their procedures regarding the application and digitization process.

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## OBSERVATION 2

### Digitization Records Accuracy

City of El Paso's Strategic Plan:

- Goal 6.2 *Implement employee benefits and services that promote financial security.*
- Goal 6.3 *Implement programs to reduce organizational risk.*
- Goal 6.12 *Maintain systems integrity, compliance, and business continuity.*

We reviewed the accuracy of digitized retiree's records stored in the Pension Technology Group (PTG) System. The following two reviews were conducted to determine accuracy.

1. We reviewed a sample of 30 retiree's records found in the PTG System. This analysis was conducted in order to determine if the digitized hardcopy records uploaded into the System corresponded to the correct retiree.
  - 30 out of 30 (100%) digitized retiree's records matched each corresponding retiree.
2. We reviewed a sample of 15 hardcopy retiree's records to determine if they had been accurately digitized and uploaded into the PTG System.
  - 15 out of 15 (100%) hardcopy retiree's records were accurately scanned into the PTG System and matched to the correct retiree.

## RECOMMENDATION

CERT is accurately digitizing retiree's records. CERT should continue to follow their processes and ensure the accuracy of retiree's record digitization.

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**CITY MANAGER**

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**Conclusion:**

Based on our review of the CERT Digitization process, we are able to:

- Provide reasonable assurance that CERT is accurately digitizing retiree's records.
- Determine that CERT has procedures in place to secure data integrity for retiree's records.

If you have any questions please feel free to contact me at extension 21365.

cc: Financial Oversight Audit Committee

Dionne Mack, City Manager

Robert Cortinas, Deputy City Manager

**Edmundo S. Calderon, CIA, CGAP, CRMA – Chief Internal Auditor**

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**Pension Office Digitization and  
Cybersecurity Review Project No. P2023-07  
Management Responses**

## MEMORANDUM

**To: Mr. Edmundo Calderon**  
**Chief Internal Auditor – City of El Paso**

**From: Robert Ash**  
**Executive Director/Legal Advisor**  
**City of El Paso Employees Retirement Trust**

**Date: January 8, 2025**

**Subject: Pension administration software upgrade review**

The City's Internal Audit Department recently completed a review of an upgrade to the pension administration software used by the City Employees Pension Trust. The review was completed on time and provided some assurance that the work performed to implement this upgrade was complete and accurate.

We appreciate the professionalism of the audit staff performing the work and the diligence they demonstrated during the review. The observations and comments made during the exit conference were well received.

Once again thank you for your assistance.