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Questions and Responses

Actuarial Audit

1. **Question:** When was the last time an actuarial audit was performed?

Answer: The last report was done in April 2015.

2. **Question:** Is FCERA able to share the most recent actuarial audit report?

Answer: It is located on our FCERA Website under Reports/Actuarial Reports/Special Actuarial Study/ Actuarial Audit and Review of Assumption and Methods June 30, 2014, Actuarial Valuation and June 30, 2013, Experience Study by Cheiron (04/01/15).

<http://www2.co.fresno.ca.us/9200/attachments/agendas/2015/040115/20150401-5A-ActuarialAuditReportByCheiron-1Report.pdf>

3. **Question:** What were the fees for the prior actuarial audit?

Answer: \$77,000 for the Actuarial Audit Services.

4. **Question:** Does FCERA have any concerns which should be the focus of this audit?

Answer: No.

5. **Question:** For the Quotation Schedule - Completion Timeline, can FCERA disclose the date by which data will be provided to the Actuary? Or, alternatively, can bidders enter a # of weeks after data is received? The completion date is heavily dependent on this date.

Answer: The bidder can enter a detailed timeline for the period after the data is received stating the amount of time needed for each process after the receipt of the data.

6. **Question:** Is the Actuary expected to fully replicate the experience study analysis using the data provided to check the expected and actual rates calculated by the plan actuary? Or, alternatively, will a review of reasonableness suffice?

Answer: A review of sufficiency and reasonableness will suffice. The Actuary is expected to review the data FCERA provided as if the Actuary were conducting its own experience study to ensure that FCERA is providing sufficient data that would support the conclusions made by the consulting actuary.

7. **Question:** Can you confirm whether the consulting actuary will provide the Actuary with test cases and results detail from their valuation software in order to support the reconciliation between the consulting actuary's results and the Actuary's results?

Answer: Yes, this can be provided.

8. **Question:** Will the most recent actuarial auditing firm be allowed to bid?

Answer: Yes, if they wish.

9. **Question:** Please provide a copy of the previous actuarial audit report.

Answer: It is located on our FCERA Website under Reports/Actuarial Reports/Special Actuarial Study/ Actuarial Audit and Review of Assumption and Methods June 30, 2014, Actuarial Valuation and June 30, 2013, Experience Study by Cheiron (04/01/15)

<http://www2.co.fresno.ca.us/9200/attachments/agendas/2015/040115/20150401-5A-ActuarialAuditReportByCheiron-1Report.pdf>

10. **Question:** Please provide the fees paid for the previous actuarial audit.

Answer: \$77,000 for the Actuarial Audit Services.

11. **Question:** How many onsite meetings does FCERA project will be required to present the results of the actuarial audit?

Answer: A maximum of two.

12. **Question:** Please verify that a full replication of the experience study results is beyond the scope of the audit.

Answer: A review of sufficiency and reasonableness will suffice. The Actuary is expected to review the data FCERA provided as if the Actuary were conducting its own experience study to ensure that FCERA is providing sufficient data that would support the conclusions made by the consulting actuary.

13. **Question:** Would it be acceptable for the Actuary to be an Associate of the Society of Actuaries and an enrolled actuary with over 25 years of consulting experience with public retirement plans, if not a Fellow of the Society of Actuaries?

Answer: This would be acceptable.

14. **Question:** Would FCERA be willing to negotiate changes to the standard contract terms?

Answer: It would depend on the changes requested. FCERA can make some adjustments if they are considered minor in nature.

15. **Question:** Would FCERA be agreeable to a mutually defined limitation of liability?

Answer: No. FCERA can make minor adjustments and negotiations but this would not be considered a minor adjustment.