

Management Audit of The Los Angeles Water and Power Employees' Retirement Plan

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The Water and Power Employees' Retirement Plan (WPERP) recently underwent a management audit. This audit was completed in accordance with City Charter Section 1112 which requires that the City of Los Angeles conduct a management audit of each of the City's three pension and retirement systems every five years. The required audit examines whether the pension or retirement system is operating in the most efficient and economical manner and evaluates the asset allocation of the system.

The Controller's Office released the audit of the Water and Power Employees' Retirement Plan (WPERP) last week and is available for review at:

http://controller.lacity.org/Audits_and_Reports/index.htm

The audits of the City's two other retirement plans were completed last year. All three audits were conducted by the same consultant, Independent Fiduciary Services (IFS).

IFS found the DWP Retirement Plan well-funded and well-managed, but made recommendations for improvements in several areas including governance, investments and training. The Retirement Plan is not obligated to adopt these recommendations; any action taken will only be after thorough review by the WPERP Board of Administration.

The audits for all three City retirement systems also contained recommendations related to combining two or possibly all three of the systems. Any such consolidation would require a change in the City Charter. Before being put on an election ballot, public hearings would be held to determine the merits of the proposal and whether or not it is consistent with state Constitutional protections for retirement systems.