

1 HB456  
2 167183-2  
3 By Representatives Williams (P), Patterson, Wood, Chesteen,  
4 Tuggle, Collins, Garrett, Ball, Scott and Baker  
5 RFD: Ways and Means General Fund  
6 First Read: 09-APR-15

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8 SYNOPSIS: Under existing law, the Retirement Systems  
9 of Alabama is the administrator of the pension fund  
10 for employees of the State of Alabama, public  
11 education employees, and certain local public  
12 employees.

13 This bill would require the Retirement  
14 Systems of Alabama to contract for a biannual audit  
15 of its investment portfolio to be performed by an  
16 independent auditing firm which customarily audits  
17 retirement systems and provide for the reporting of  
18 the audit to the Legislature.

19  
20 A BILL  
21 TO BE ENTITLED  
22 AN ACT

23  
24 Relating to the Retirement Systems of Alabama; to  
25 contract for a biannual audit of its investment portfolio to  
26 be made by an independent auditing firm which customarily

1 audits retirement systems and provide for the reporting of the  
2 audit to the Legislature.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

4 Section 1. (a) The Retirement Systems of Alabama  
5 shall cause a biannual audit of its investment portfolio to be  
6 made by an independent auditing firm which customarily audits  
7 retirement systems and the audit shall be presented on or  
8 before the tenth legislative day of each regular session of  
9 the Legislature.

10 (b) This biannual audit shall be performed based  
11 upon industry best practices and shall compare plan expenses,  
12 portfolio allocations, and actual returns to other states that  
13 have comparable plans. The audit shall provide data covering  
14 compensation of employees of the RSA to ensure Alabama is  
15 within industry norms. The audit shall focus on private  
16 placement investments within the system to ensure only best  
17 practices, arms-length transactions are executed.

18 Section 2. This act shall become effective on the  
19 first day of the third month following its passage and  
20 approval by the Governor, or its otherwise becoming law.