



Date: February 16, 2017
To: Members of the Audit Committee
From: Donald R. White, Chair
Subject: Summary of the February 16, 2017, Audit Committee Meeting

Audit Committee Chair Donald White called the February 16, 2017, Audit Committee meeting to order at 1:04 pm. Committee members present were, Tarrell Gamble, Elizabeth Rogers, Annette Cain-Darnes, and Ophelia Basgal. Other Board members present were, Dale Amaral, Liz Koppenhaver, Nancy Reilly, and Darryl Walker. Members of the Staff present were David Nelsen Chief Executive Officer; Kathy Foster Assistant Chief Executive Officer, Margo Allen, Fiscal Services Officer; Harsh Jadhav, Chief of Internal Audit; Vijay Jagar, Project & Information Services Manager; Betty Tse, Chief Investment Officer; and Sandra Dueñas-Cuevas, Benefits Manager.

ACTION ITEMS

1. Presentation, review, discussion, and possible motion to approve the external audit scope of work and timeline of services for the Financial Statements ended December 31, 2016, to be performed by Williams Adley & Co. LLP.

Audrey Elbert and Kenneth Yu of Williams Adley & Company, LLC, presented and discussed the scope of work and timeline of the 2016 external audit.

After discussion, it was moved by Dale Amaral and seconded by Ophelia Basgal that the Audit Committee recommend to the Board of Retirement that the Board approve the External Audit Scope of Work and Timeline of Services to be performed by Williams Adley & Co. LLP.

The motion carried 9 yes (*Amaral, Basgal, Cain-Darnes, Gamble, Koppenhaver, Reilly, Rogers, Walker, White,*), 0 no, 0 abstentions.

2. Presentation, discussion and possible motion to approve the net non-OPEB liability allocation methodology

Staff presented a recap of actions taken during 2016 on the net non-OPEB liability allocation methodology that concluded in the agreement of ACERA staff, the actuary, and the external auditor that using contributions made by the employers to fund the statutory pension benefits was the reasonable method for allocating and reporting the employers' proportionate share of this liability

It was moved by Liz Koppenhaver and seconded by Dale Amaral that the Audit Committee recommend to the Board of Retirement that the Board approve the net non-OPEB liability allocation methodology.

The motion carried 9 yes (*Amaral, Basgal, Cain-Darnes, Gamble, Koppenhaver, Reilly, Rogers, Walker, White,*), 0 no, 0 abstentions.

INFORMATION ITEMS

External Audit

- **2017 Audit Committee Work Plan (Proposed)**

Staff presented the proposed 2017 Audit Committee work plan.

Internal Audit

- **Review of the Annual Risk Assessment, Presentation of the 2017 Internal Audit Program (Proposed), Review of the PEPRA Employer Audit Plan, and Presentation of the Completed Audits**

Staff presented the Annual Risk Assessment Process, the 2017 Internal Audit Program, an update on the PEPRA Employer Audit Plan, and a review of the completed audits.

TRUSTEE/PUBLIC INPUT

- None

RECOMMENDATION

1. The Audit Committee recommends, and I move, that the Board of Retirement approve the External Audit Scope of Work and Timeline of Services to be performed by Williams Adley & Co. LLP.
2. The Audit Committee recommends, and I move, that the Board of Retirement approve the net non-OPEB liability allocation methodology.

ESTABLISHMENT OF NEXT MEETING DATE

April 20, 2017 at 1:00 pm

MEETING ADJOURNED

The meeting adjourned at 2:05 pm