



Date: Thursday, May 22, 2014
To: Members of the Board of Retirement
From: Donald R. White, Chair
Subject: Summary of the May 22, 2014 Audit Committee Meeting

Audit Committee Vice Chair Elizabeth Rogers called the May 22, 2014 Audit Committee Meeting to order at 1:00 p.m. The Committee members present were Don White, Elizabeth Rogers, and George Wood. Other Board members present were Annette Cain-Darnes, Dale Amaral, Liz Koppenhaver, and alternate member David Safer. Members of the Staff present were Vincent Brown, Chief Executive Officer; Harsh Jadhav, Chief of Internal Audit; Kathy Foster, Assistant Chief Executive Officer; Marguerite Malloy, Associate Counsel; Betty Tse, Chief Investment Officer; Victoria Arruda, Human Resources Officer; Rose Kwong, Benefits Manager, and Latrena Walker, Project & Information Services Manager.

ACTION ITEMS

1. Discussion and Possible Motion recommending approval of the December 31, 2013 audited Financial Statements and Independent Auditor's Report

Vincent Brown, Chief Executive Officer proposed to take up the first information item, concerning the presentation by Williams Adley & Company, LLP (WACO) of the December 31, 2013 audited Financial Statements, before taking action on this item.

After presentation and discussion of the Audited Financial Statements for the year ending December 31, 2013, Elizabeth Rogers moved and Dale Amaral seconded a motion to recommend that the Audit Committee recommends to the Board that the Board accept and file the December 31, 2013 audited Financial Statements and the Independent Auditor's Report.

The motion carried 6 yes (Amaral, Cain-Darnes, Koppenhaver, Rogers, White, Wood), 0 no, 0 abstentions.

2. Discussion and Possible Motion recommending approval of the ACERA Policy for Audit of Employer and Employee Compensation and Retirement Information.

Members of the Audit Committee requested a presentation and discussion prior to approving the ACERA Policy for Audit of Employer and Employee Compensation and Retirement Information. This item was delayed for the next meeting.

INFORMATION ITEMS

External Audit

1. Presentation of the December 31, 2013 Audited Financial Statements

Williams Adley & Co. LLP, presented the Year Ended December 31, 2013 audited Financial Statements.

In the external auditor's presentation Audrey Elbert, WACO's Audit Partner, presented the Audit Results, expressing that the audit was completed that they will be providing an unmodified opinion on the Financial Statements.

Robert Griffin, WACO's Managing Manager, then referred to the Required Communications and New GASB standards implemented: GASB 65 *Items Previously Reported as Assets and Liabilities*, and GASB 66 *Technical Corrections – 2012 – an amendment of GASB Statements 10 and 62*, effective for the year ending December 31, 2013.

Internal Audit

2. Progress Report on Internal Audit Work Plan

Harsh Jadhav, Chief of Internal Audit and Caxton Fung, Assistant Accounting Manager, presented the 2014 Internal Audit Report, and the 2014 Participating Employers Audit Plan.

3. Review completed audits

Harsh Jadhav also presented the Results of the Active and Deferred Member Divorce Audit.

TRUSTEE/PUBLIC INPUT

None

RECOMMENDATIONS

The Audit Committee recommends to the Board of Retirement that the Board accept and file the December 31, 2013 audited Financial Statements and the Independent Auditors' Report.

ESTABLISHMENT OF NEXT MEETING DATE

June 19, 2014 at 10:30 p.m.

MEETING ADJOURNED

The meeting adjourned at 1:45 p.m.