



**Date:** May 24, 2018  
**To:** Members of the Audit Committee  
**From:** Henry C. Levy, Chair  
**Subject:** Summary of the May 24, 2018, Audit Committee Meeting

Audit Committee Chair Henry Levy called the May 24, 2018, Audit Committee meeting to order at 12:30 pm. Committee members present were Dale Amaral, and Annette Cain-Darnes. Other Board members present were Tarrell Gamble, Liz Koppenhaver, Nancy Reilly, Darryl Walker, and George Wood. 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 Internal Auditor; and, Vijay Jagar, Retirement Chief Technology Officer.

### **ACTION ITEMS**

#### *External Audit*

Staff presented the information item before the actions items to provide comment and the opportunity to discuss Cheiron's peer reviews of Governmental Accounting Standards Board (GASB) Statement No. 67 and Statement No. 74 valuations as of December 31, 2017.

#### **1. Discussion and possible motion to recommend approval of the December 31, 2017 Audited Financial Statements and Independent Auditor's Report.**

Staff introduced representatives of Williams Adley and Company (WACO), who presented the report on the audit opinion of ACERA's December 31, 2017, financial statements. After presentation and brief discussion, confirming with WACO that there were no areas of concern or notable change, Trustee Tarrell Gamble moved and Trustee Liz Koppenhaver seconded a motion that the Audit Committee recommend to the Board that the Board accept and file the December 31, 2017, Audited Financial Statements and the Independent Auditor's Report.

The motion carried 6 yes (Amaral, Cain-Darnes, Gamble, Koppenhaver, Levy, and Wood), 0 no, 0 abstentions.

#### **2. Discussion and possible motion to recommend adoption of the Governmental Accounting Standards Board (GASB) Statement No. 67 and Statement No. 74 Actuarial Valuations and Addendums as of December 31, 2017.**

Staff introduced representatives of Segal Consulting, who presented the GASB Statement No. 67 and Statement No. 74 Actuarial Valuations and Addendums as of December 31, 2017. Staff informed the committee that the participating employers were presented the information contained in the valuations. After a brief discussion, Trustee Liz Koppenhaver moved and

Trustee George Wood seconded a motion that the Board adopt the GASB Statement No. 65 and Statement No. 74 Actuarial Valuations and Addendums as of December 31, 2017.

The motion carried 6 yes (Cain-Darnes, Amaral, Gamble, Koppenhaver, Levy, and Wood), 0 no, 1 abstention (Walker).

## **INFORMATION ITEMS**

### *External Audit*

#### **1. Peer Review of the GASB Statement No. 67 and Statement No. 74 Valuations**

Staff introduced representatives from Cheiron, who presented Cheiron's peer review of the GASB Statement No. 67 and Statement No. 74 actuarial valuations. Cheiron provided its opinion and comment on five areas within the GASB Statement No. 67 valuation and four areas within the GASB Statement No. 74 valuation.

### *Internal Audit*

Due to the prolonged meeting it was decided to postpone the Internal Audit items.

1. Progress report on the Internal Audit Plan
2. Review of completed audits

## **TRUSTEE/PUBLIC INPUT**

**None**

## **RECOMMENDATION**

Staff recommends that the Audit Committee recommend to the Board of Retirement that the Board accept and file the December 31, 2017, Audited Financial Statements and Independent Auditors' Report.

Staff recommends that the Audit Committee recommend to the Board of Retirement that the Board adopt the GASB Statement No. 67 and No. 74 Actuarial Valuations and Addendums as of December 31, 2017.

## **ESTABLISHMENT OF NEXT MEETING DATE**

June 21, 2018, at 1:00 pm

## **MEETING ADJOURNED**

The meeting adjourned at 1:50 pm