



Date: June 18, 2020
To: Members of the Audit Committee
From: Tarrell Gamble, Chair
Subject: Summary of the June 18, 2020, Audit Committee Meeting

Audit Committee Chair Tarrell Gamble called the June 18, 2020, Audit Committee meeting to order at 1:03 pm. Committee members present were Dale Amaral, Ophelia Basgal, Keith Carson, and Henry Levy. Other Board members present were Jaime Godfrey, 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 of Internal Audit; Jeff Reiger, Chief Counsel; Victoria Arruda, Human Resources Officer; Vijay Jagar, Retirement Chief Technology Officer; Betty Tse, Chief Investment Officer; and Jessica Huffman, Benefits Manager.

PUBLIC COMMENT

None

ACTION ITEMS

External Audit:

- 1. Discussion and possible motion to adopt the audited Schedules of Employer Allocations and Schedules of Pension Amounts by Employer with Related Notes, based on the Addendum to Governmental Accounting Standards Board (GASB) Statement No. 67 Valuation as of December 31, 2019.**

Staff explained that these schedules, in combination with the GASB Statement No. 67 and Statement 74 actuarial valuations, contained all the required pension liability reporting information that participating employers need to complete their June 30, 2020, fiscal year-end reporting requirements. Staff will distribute the audited schedules and the GASB Statement No. 67 and Statement No. 74 actuarial valuations to ACERA's participating employers as soon as ACERA's Trustees have adopted them.

Staff invited Audrey Elbert representing Williams Addley & Company-CA to add any comments. Ms. Elbert explained that WACO audited both schedules and they were consistent with previous year's, and that WACO's opinion remained unmodified.

Trustee Basgal moved and trustee Levy seconded to adopt the audited Schedules of Employer Allocations and Schedules of Pension Amounts by Employer with Related Notes, based on the Addendum to GASB Statement No. 67 Valuation as of December 31, 2019.

The motion carried 8 yes (*Amaral, Basgal, Carson, Gamble, Godfrey, Levy, Reilly, and Wood*), 0 no, 0 abstentions.

2. Discussion and possible motion to adopt the audited Schedules of Employer OPEB Allocations and Schedules of OPEB Amounts by Employer with Related Notes, based on the Addendum to GASB Statement No. 74 Valuation as of December 31, 2019

Trustee Basgal moved and trustee Levy seconded to adopt the audited Schedules of Employer Allocations and Schedules of OPEB Amounts by Employer with Related Notes, based on the Addendum to GASB Statement No. 74 Valuation as of December 31, 2019.

The motion carried 8 yes (*Amaral, Basgal, Carson, Gamble, Godfrey, Levy, Reilly, and Wood*), 0 no, 0 abstentions.

INFORMATION ITEMS

Internal Audit

1. Progress report on the Internal Audit Plan

Staff presented an update on the 2020 Internal Audit Program. They explained the impact of COVID-19 caused some audits to be postponed or extended, since both auditors were deployed as Disaster Service Workers, and unable to perform audits. They expect to be at full staffing by Q4 2020.

Prior to the health crisis, staff made steady progress on the employer audits, the Retiree Payroll Deduction Policy Audit and the recently launched the Final Year Salary Calculation Audit.

ESTABLISHMENT OF NEXT MEETING DATE

October 15, 2020, at 1:00 pm

MEETING ADJOURNED

The meeting adjourned at 1:27 pm