



## Risk and Audit Committee

# Agenda Item 4f

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**June 20, 2023**

**Item Name:** External Audit Fees

**Program:** Audit Services

**Item Type:** Information Consent

### **Executive Summary**

Each year, the Office of Audit Services (OFAS) presents to the Risk and Audit Committee (RAC) the external audit fees for the annual audit, attest, and any other audit services provided by external audit firms. Services provided by external audit firms for the Fiscal Year ending June 30, 2022 (FY 21-22) included the annual financial statement audit and Governmental Accounting Standard Board (GASB) Statement No. 68 and 75 audits.

### **Strategic Plan**

This item is not a specific product of the strategic plan, and is in alignment with the RAC delegation reserved to oversee audit activities including, but not limited to, external, financial, and internal audits.

### **Background**

To assist RAC with the oversight of the external audit process, OFAS presents the external audit fees for the annual audit, attestation, and any other audit services allowed and provided by external audit firms.

### **Analysis**

The board's independent financial statement auditor performed the audit of CalPERS financial statements and GASB 68 and 75 audits for FY 2021-22. These services were performed under the American Institute of Certified Public Accountants (AICPA), generally accepted auditing standards and attestation standards. All audit work and fees were calculated and approved in accordance with the contract terms.

### **Budget and Fiscal Impacts**

The fees for the basic financial statements audit including GASB 75 for FY 2021-22 totaled \$1,107,437. The audit fees for the audit of participating employers' data, as required by

GASB 68 FY 2021-22 totaled \$1,192,568. Table 1 illustrates the breakdown of audit fees and total amount on an accrual basis.

**Table 1 – Basic Financial Statements, GASB 68, and GASB 75 Audit Fees.**

<b>AUDIT TYPE</b>	<b>AMOUNT PAID</b>
Basic Financial Statements and GASB 75	\$1,107,437
GASB 68	\$1,192,568
<b>Total</b>	<b>\$2,300,005</b>

Funding for these audit activities has been identified within existing budgetary resources. There is no additional budget or fiscal impact.

**Benefits and Risk**

Providing the RAC with information on external audit fees allows the committee to provide oversight of the external audit process and monitor costs as part of its fiduciary responsibility to oversee external audit activities.

The risk is mitigated due to a contractual term requiring the contractor not to exceed the agreement amount.

**Attachments**

None

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Chief Auditor  
Office of Audit Services

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Michele L. Nix  
Acting Chief Financial Officer

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Matthew G. Jacobs  
General Counsel