



Consent

Agenda Item 4e

August 14, 2012

ITEM NAME: External Audit Fees

PROGRAM: Audit Services

ITEM TYPE: Consent Information

EXECUTIVE SUMMARY

Each year, the Office of Audit Services presents to the Risk and Audit Committee the external audit fees for the annual audit, attest and all other services allowed and provided by audit firms. Services provided by external audit firms in Fiscal year 2011-12 included the annual financial statement audit and agreed-upon procedures engagements which are described below.

BACKGROUND

The Office of Audit Services serves as the contract administrator for the Board of Administration's independent financial statement auditor and other external audit resources.

ANALYSIS

The Board of Administration's independent financial statement auditor, Macias, Gini & O'Connell, LLP, performed the audit of CalPERS financial statements for the Fiscal Year ended June 30, 2011 (FY 2010-11) and agreed-upon procedures reviews. 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. The financial statement audit fees totaled \$491,091 and were paid over two fiscal years. The total fees for agreed-upon procedures were \$111,568.

Table 1 on the following page illustrates the schedule of fees totaling \$155,621 invoiced for agreed-upon procedures performed by the external real estate auditors during Fiscal Year 2011-2012. These agreed-upon procedures include real estate contract compliance and cash flow verification reviews. All audit work and fees were in accordance with the auditors' contracts with CalPERS. The amounts are presented on a cash basis.

Table 1 – Real Estate Audit Fees

AUDIT FIRM	AMOUNT PAID
KNL	\$ 11,127
KPM and Associates	\$ 4,556
Marsh	\$ 54,955
Reznick Group	\$ 53,223
Squar Milnar	\$ 24,769
Velah Group	\$ 6,991
Total for Real Estate Audit Activities for Fiscal Year 2011-12	\$155,621

ATTACHMENTS

None

MARGARET JUNKER, Chief
Office of Audit Services

PETER H. MIXON
General Counsel