



Meeting Summary

December 12, 2012

The Risk & Audit Committee met on December 10, 2012.

THE COMMITTEE RECOMMENDS AND I MOVE, the Board approves the following:

- **AGENDA ITEM 5- COMPREHENSIVE ANNUAL FINANCIAL REPORT FINANCIAL SECTION**
Approve as amended the draft Comprehensive Annual Financial Report 2011-12 Financial Section, as prepared by management, for the fiscal year ended June 30, 2012.
- **AGENDA ITEM 6A- EXTERNAL AUDITOR'S REPORT – AUDITED FINANCIAL STATEMENTS**
Accept the Auditor's Report on the Draft Basic Financial Statements for the year ended June 30, 2012 and accompanying required communications, and approve the letter of transmittal.
- **AGENDA ITEM 6B- AUDIT RESOLUTION POLICY REVISION**
Approve the revised Audit Resolution Policy that was previously approved by the Board of Administration in March 2011.

The Committee received reports on several topics including:

An update on the development and implementation of a Governance, Risk and Compliance program with focus on the roles and responsibilities and a presentation on the Enterprise Risk Management Dashboard, which included an overview of the risks that may impact the organization and management's response to those identified as top risks.

At this time, I would like to share some highlights of upcoming activity and meetings:

At the January 2013 Board Off-Site meeting, the Office of Enterprise Risk Management will be coordinating with the Actuarial Office on the Asset Liability Management session to present information on risk appetites and tolerances.

At the March 2013 Risk & Audit Committee meeting, the External Auditor's Management Letter, related to its audit of the Fiscal Year 2011-12 Financial Statements will be presented for the Committee's approval. This will include the audit issues and recommendations, and managements response. Staff will also provide the

Committee with an update of the Enterprise Risk Management Dashboard and implementation of the Governance, Risk and Compliance program.

The next meeting of the Risk & Audit Committee is scheduled for March 19, 2013, in Sacramento, California.