



## Risk and Audit Committee

# Agenda Item 6b

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**June 17, 2020**

**Item Name:** Independent Auditor's Annual Plan

**Program:** Audit Services

**Item Type:** Action

### **Recommendation**

Accept the Board of Administration's (Board) Independent Financial Statement Auditor's (Independent Auditor) Annual Audit Service Plan (Annual Plan) for the audit of CalPERS financial statements as of and for the fiscal year ending June 30, 2020.

### **Executive Summary**

This agenda item presents the Independent Auditor's Annual Plan to the Risk and Audit Committee. The Risk and Audit Committee's delegated authority includes approving the Independent Auditor's Annual Plan.

### **Strategic Plan**

This item is not a specific product of the Strategic Plan.

### **Background**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. The Independent Auditor is responsible for planning and performing the audit to obtain reasonable assurance that financial statements are fairly stated in all material respects. The Independent Auditor will perform the audit of CalPERS financial statements as of and for the fiscal year ending June 30, 2020.

### **Analysis**

The Independent Auditor will present to the Risk and Audit Committee its Annual Plan to provide information on its approach, scope, objectives, and deliverables and enable the Committee to ask questions. At the conclusion of the audit, the Independent Auditor will report the results of the audit and express opinions on the respective financial statements of the fiduciary and proprietary activities at the Risk and Audit Committee meeting.

## **Budget and Fiscal Impacts**

Funding was already identified within budgetary resources and is consistent with the Board approved contract.

## **Benefits and Risks**

Presentation and discussion of the Independent Auditor's Annual Plan will enhance the communication and understanding between the auditor and the Risk and Audit Committee. It will also enhance the Risk and Audit Committee's oversight of the external audit process consistent with its delegated authority and Government Code section 20228. The risk of not presenting and discussing the Independent Auditor's Annual Plan is reduced communication and understanding between the auditor and Risk and Audit Committee as well as decreased ability to exercise oversight of the external audit process.

Attachment – Audit Plan, Year Ending June 30, 2020

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Chief Auditor  
Office of Audit Services

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Matthew G. Jacobs  
General Counsel