



Risk and Audit Committee

Agenda Item 6b

June 15, 2021

Item Name: Independent Auditor's Annual Plan

Program: Financial Reporting and Accounting Services Division

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, 2021.

Executive Summary

This agenda item presents the Independent Auditor's Annual Plan to the Risk and Audit Committee (RAC). RAC'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, 2021.

Analysis

The Independent Auditor will present to RAC 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 RAC 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 RAC. It will also enhance RAC'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 RAC as well as decreased ability to exercise oversight of the external audit process.

Attachment

Attachment – California Public Employees' Retirement System
Audit Plan, Year Ending June 30, 2021

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Chief Auditor
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