



Date: May 20, 2013
To: Members of the Board of Retirement
From: Don White, Chair
Subject: Summary of the May 20, 2013 Audit Committee Meeting

Audit Committee Chair Don White called the May 20, 2013 Audit Committee Meeting to order at 1:30 p.m. Committee members present were George Wood, Annette Cain-Darnes, Keith Carson, and Liz Koppenhaver. Other Board members present were Dale Amaral, George Dewey, and Alternate Members Darryl Walker and David Saver. Staff Members present were Vincent Brown, Chief Executive Officer, Margo Allen, Fiscal Services Officer, Harsh Jadhav, Internal Auditor, Robert Gaumer, Chief Counsel, Kathy Foster, Assistant Chief Executive Officer, Rose Kwong, Benefits Manager.

ACTION ITEMS

1. Discussion and Possible Motion to Accept the December 31, 2012 Audited Financial Statements and Independent Auditor's Report

Margo Allen, Fiscal Services Officer proposed to take up the first information item, concerning the presentation by Williams Adley & Company, LLP (WACO) of the December 31, 2012 audited Financial Statements, before taking action on this item.

After presentation of the Audit Financial Statements for the year ending December 31, 2012 and discussion Liz Koppenhaver moved and George Wood seconded a motion to recommend to the Board to accept and file the December 31, 2012 audited Financial Statements and the Independent Auditors' Report, with the changes discussed at the meeting. It passed unanimously.

INFORMATION ITEMS:

External Audit

1. Presentation of the December 31, 2012 Audited Financial Statements

ACERA's external auditor, William Adley & Company (WACO), presented the Audit Results for the year ending December 31, 2012.

In the external auditors' presentation Audrey Elbert, WACO's Engagement Partner, presented the Audit Results, expressing that the audit was completed that they will be providing an unqualified opinion on the Financial Statements.

Robert Griffin, WACO's Engagement Manager, then referred to the Required Communications and New GASB standards implemented: GASB 63 *Financial Reporting of Outflows of Resources, deferred Inflows of Resources and Net Position*, and 64 *Derivative Instruments: Application of Hedge Accounting Termination Provisions- An Amendment of GASB 53*, effective for the year ending December 31, 2012.

Internal Audit

2. Progress Report on Internal Audit Work Plan

Harsh Jadhav, Internal Auditor presented the 2013 Internal Audit Department Quarterly Report. He presented a progress report on the 2013 Audit Plan and new audit initiatives.

TRUSTEE/PUBLIC INPUT

None

RECOMMENDATIONS

The Audit Committee recommends to the Board of Retirement to accept and file the December 31, 2012 audited Financial Statements and the Independent Auditors' Report.

ESTABLISHMENT OF NEXT MEETING DATE

June 12, 2013 at 1:00 p.m.

MEETING ADJOURNED

The meeting adjourned at 2:20 p.m.