



## Risk and Audit Committee

# Agenda Item 5c

---

**June 21, 2023**

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

**Program:** Financial Reporting and Accounting Services Division

**Item Type:** Action

### **Recommendation**

Accept the CalPERS Board of Administration's Independent Financial Statement Auditor's Annual Audit Service Plan for fiscal year ending June 30, 2023 (FY 2022-23), including the annual financial statement audit and Governmental Accounting Standard Board (GASB) Statement No. 68 and 75 audits.

### **Executive Summary**

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

### **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 FY 2022-23 audit of the CalPERS financial statements and GASB Statements No. 68 and 75.

### **Analysis**

The independent auditor will present to the 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 with the auditor.

## **Benefits and Risks**

Presentation and discussion of the Independent Auditor's Annual Plan will enhance the communication and understanding between the auditor and the RAC. It will also enhance the 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 the RAC as well as decreased ability to exercise oversight of the external audit process.

## **Attachments**

Attachment 1 – California Public Employees' Retirement System Audit Plan, Year Ending June 30, 2023

---

Beliz Chappuie  
Chief Auditor  
Office of Audit Services

---

Michele L. Nix  
Acting Chief Financial Officer

---

Matthew G. Jacobs  
General Counsel