

Public Agenda Item #2a

Presentation, Discussion and Consideration of Audit
Committee Agenda items:

External Audit Reports

February 23, 2016

Verma Elliott, SAO Audit Manager

Anca Pinchas, SAO Project Manager

Tony Chavez, ERS Director, Internal Audit Division

SAO Financial Audits

Fiscal Year 2015 CAFR Financial Opinion Audit



- Unqualified Opinion
- Financial statements were materially correct and presented in accordance with accounting principles generally accepted in the United States of America.
- No material weaknesses in internal control over financial reporting or any noncompliance with laws or regulations that materially affected the financial statements.
- One significant deficiency in active employee's census data. Auditors determined that ERS should strengthen controls to help ensure the completeness and accuracy of the active employees census data. Active employee census data affects the actuarial estimate of the pension liability amount that ERS presents in its financial statements.

FY2013 & FY2015 Pension Schedule Opinions

State Auditor's Office



- Financial schedule prepared by Finance Division in response to GASB 68 requirements
- State agencies issuing stand-alone financials statements must report their portion of the reported pension liability
- Pension Schedules are separate and stand-alone from ERS' CAFR
- **Results:** 1) Unqualified Opinion 2) No material weaknesses in internal controls
- FY 2013 audit work was performed because GASB requires allocation percentage as of the end of the prior year (August 31, 2013) when first implementing requirements (FY 2014).

Questions?