

AUDIT COMMITTEE MEETING
BOARD OF ADMINISTRATION
OF THE
WATER AND POWER EMPLOYEES' RETIREMENT PLAN
MINUTES

SEPTEMBER 9, 2015

Committee Members Present:

Barry Poole, Chair
Timothy Hemming, Retiree Member

Committee Members Absent:

Mario Ignacio, Member

Staff Present:

Mary C. Higgins, Asst. Retirement Plan Manager
Monette Carranceja, Asst. Retirement Plan Manager
William Feng, Senior Utility Accountant
Vanessa Francis, Senior Clerk Typist

Others Present:

James Napier, Deputy City Attorney

Mr. Poole called the meeting to order at 8:17 a.m.

Ms. Higgins stated that a quorum of the Audit Committee was present.

Ms. Francis stated there were no requests for public comment.

1. Discussion of Audit Program for Fiscal Year Ended June 30, 2015; and Possible Action

Mr. Feng introduced the item and invited representatives from Simpson and Simpson, the Water and Power Employees' Retirement Plan's (Plan) Auditors, to provide a brief background on the audit plan for 2015.

Grace Yuen and Frank Liu presented the scope of the audit. Ms. Yuen stated the financial audit of the Plan's financial statement as of June 30, 2015, for the Retirement Plan and the Retiree Health Benefit Plan would be conducted in accordance with generally accepted auditing standards. The anticipated completion date of the audit was October 23, 2015. She stated the draft report would be presented to management on November 6, 2015, and the audit results would be presented to the Audit Committee in November.

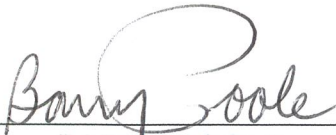
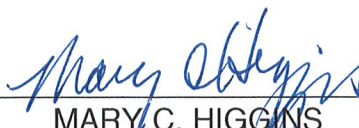
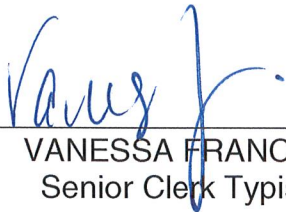
Mr. Hemming inquired if Simpson & Simpson had any expert advice on other controls, other than the financial statements, on how the funding for the Retiree Health Benefits Fund was broken down.

Ms. Yuen stated there were tests on other internal controls and if there were any significant deficiencies or material weakness noted, then reporting would be required.

2. Discussion of Management Audit of the Water and Power Employees' Retirement Plan for the Period Covering July 2007 and June 2012

Ms. Carranceja presented the objectives of the audit.

There being no further business, the meeting adjourned at 8:27 a.m.

 BARRY POOLE Chairperson	<u>10/27/15</u> Date	 MARY C. HIGGINS Asst. Retirement Plan Manager	_____ Date
 VANESSA FRANCIS Senior Clerk Typist	<u>10/27/15</u> Date		