


CITY OF LOS ANGELES
DEPARTMENT OF WATER AND POWER
INTRADEPARTMENTAL CORRESPONDENCE

Date: July 15, 2020

To: Retirement Board Members

From: Linda P. Le, Interim Retirement Plan Manager 

Subject: Board Agenda Item No. 9: Discussion of Audit Program for Fiscal Year Ended June 30, 2020 (July 22, 2020, Regular Retirement Board Meeting)

Representatives from Simpson and Simpson, Certified Public Accountants, will be presenting their audit plan and discussing any concerns or significant issues the Board of Administration (Retirement Board) may have relative to the audit of the Water and Power Employees' Retirement Plan for the Fiscal Year ended June 30, 2020.

Simpson and Simpson provided the attached agenda which lists the discussion points for this meeting and the timeline for the audit. The auditors will start their work on August 10, 2020. Staff anticipates the final audited financial statements will be presented to the Retirement Board at a meeting in December 2020, and subsequently provided to the City Controller's Office.

The following document is attached:

- Simpson and Simpson Audit Entrance Meeting Agenda



William Feng
Interim Assistant Retirement Plan Manager

LPL/WF:jy

Water and Power Employees' Retirement Plan

Audit Entrance Meeting Agenda

July 22, 2020

1. Scope

Conduct an audit of the financial statements of the City of Los Angeles Water and Power Retirement Plan and the Retiree Health Benefit Fund as of and for the year ended June 30, 2020, in accordance with generally accepted auditing standards.

2. Audit Timeline

Audit start date: August 10, 2020

Audit work completion date: October 16, 2020

Draft report release date: Week of November 2, 2020

Presentation to Board: December 9, 2020 (Tentative Date)

3. Audit Team

Engagement Partner – Grace Yuen

Quality Partner - Melba Simpson

IT Principal – Robert Fleming

Partner –Etta Hur

Senior Auditor – Catelyn Cai

Staff

4. Auditor's Responsibility

- Form and express an opinion on whether the financial statements that have been prepared by management with the oversight of those charged with governance are presented fairly, in all material respects, in conformity with generally accepted accounting principles.
- The audit does not relieve management or those charged with governance of their responsibilities.

5. Audit Process

- 1) Update our understanding of the internal controls over financial reporting.
- 2) Assess risk of material misstatement including fraud risk.
- 3) Perform test of controls.
- 4) Develop customized audit programs.
- 5) Prepare confirmation.
- 6) Substantive testing of accounts balance.
- 7) Report development.
- 8) Prepare written communication of significant deficiencies and material weaknesses, if any, noted during our audit.

6. Relevant Recent Accounting Pronouncements

Effective for FY 2020

GASB 84 – Fiduciary Activities (early adoption)

7. Audit Concerns and Issues