



# **Audits & Risk Management Committee**

## **Item Number 4 – Open Session**

**Subject:** Financial Statement Audit Client Service Plan for FY 2022-23

**Presenter(s):** Kevin Smith and Jen Aras, Crowe LLP

**Item Type:** Information

**Date & Time:** March 1, 2023 – 15 minutes

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**Attachment(s):** None

**PowerPoint(s):** Financial Statement Audit Client Service Plan

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### **Item Purpose**

The purpose of this item is to provide the Audits and Risk Management (ARM) Committee an overview of the Crowe LLP Client Service Plan for performing an audit of CalSTRS basic financial statements as of and for the year ending June 30, 2023.

### **Executive Summary**

Annually, Crowe LLP is engaged to plan and perform two separate audits of CalSTRS financial records for the period ending June 30, 2023: (1) The Basic Financial Statements, Required Supplementary Information, and Other Supplementary Information and (2) Other Pension Information - State Teacher's Retirement Plan.

The objective of a financial statement audit is to express an opinion as to whether the basic financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States and to report on the supplementary information in relation to the basic financial statements as a whole.

Representatives of Crowe LLP will present its Client Service Plan to the ARM Committee with information about the audit engagement team, services and deliverables, audit timeline, along with audit planning and required communications with the ARM Committee. Additionally, the independent financial statement auditor will provide a summary of recent technical developments in governmental accounting and financial reporting that may affect CalSTRS financial reports. At the conclusion of the audit, the external auditor will present the results of the audits and express an opinion on the basic financial statements at the November 2023 ARM Committee meeting.

**Background**

CalSTRS is required to have an annual audit of the basic financial statements of the system, consistent with Education Code Section 22217(a). The charter for the ARM Committee outlines the authority to “appoint, provide for the compensation of, and oversee the work of the independent certified public accounting firm employed by CalSTRS to audit the financial statements.

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Strategic Plan Linkage: [Strategic Plan - CalSTRS Goal 1: Trusted stewards-ensure a well-governed, financially sound trust fund.](#)

Board Policy Linkage: ARM Committee Charter:  
<https://www.calstrs.com/files/f3854845f/BoardGovernanceManual-August2022.pdf>

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