

***Fire & Police Pension Association  
Audit Committee Meeting Agenda***

June 5, 2018

10:30 a.m.

**10:30 a.m. Call to Order**

**Approval of September 19, 2017 meeting minutes.**

**10:35 a.m. SSAE 18 SOC 1 Type II 2017 Audit. *Presenter: Jim Schmidt, Eide Bailly, LLP***

**11:00 a.m. Independent Auditors' presentation. *Presenters: Lealan Miller and Sara Kurtz, Eide Bailly, LLP***

1. Financial Statement audit.
2. Independent Auditors' report.
3. Governance report.
4. Independent Auditors' report on Internal Controls.
5. Audit Committee discussion with Independent Auditor.

**11:45 a.m. Lunch**

**12:15 p.m. Review of December 31, 2017 Comprehensive Annual Financial Report (CAFR). *Presenters: Kim Collins, Ahni Smith***

**12:45 p.m. Update on GASB 68 audit. *Presenter: Ahni Smith***

**12:50 p.m. Internal Audit Reports. *Presenters: Keith Galante and Courtney Reikofski, BKD, LLP***

1. Human Resources Processes and Systems Assessment.
2. Internal Investment Committee Process Assessment.

**1:30 p.m. Audit Committee charter revisions. *Presenter: Dan Slack***

**1:45 p.m. Evaluation of Eide Bailly LLP. *Presenter: Kim Collins***

**2:15 p.m. Adjournment**

**Tentative Agenda for Audit Committee Meeting September 18, 2018 at 10:30 a.m.**

- **IT Assessment (Executive Session).**
- **Review of open audit findings (Executive Session).**
- **Annual Illiquid Alternatives Financial Statement Review.**
- **Auditor Reports:**
  - i) **Governmental Accounting Standards Board (GASB) Statement No. 68 Report on the Statewide Defined Benefit Plan and Statewide Hybrid Plan – Defined Benefit Component.**
  - ii) **Financial Statement, GASB 68, and SOC 1 Type 2 Audits Plans 12/31/2018.**
- **GASB Pronouncements Update.**
- **Internal Audit Reports:**
  - i) **Identify universe of vendors/service providers with FPPA financial or personally identifiable information (PII) and mapping of current internal reviews of SOC reports. (Executive Session)**
  - ii) **Entity level controls review based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) model. (Executive Session)**
- **Determine 2019 Internal Audit Plan.**
- **Determine 2019 Audit Committee Dates.**

## **FIRE AND POLICE PENSION ASSOCIATION**

Minutes – Audit Committee Meeting

June 5, 2018

FPPA Office  
5290 DTC Parkway, Suite 100  
Greenwood Village, CO

Committee Members Present: Chair Pam Feely and Nick Nuanes

Staff Members Present: Dan Slack, Kim Collins, Kevin Lindahl, Ahni Smith, Elaine Gorton, and Karen Moore

Others Present: Jim Schmidt (via phone), Lealan Miller, and Sara Kurtz, Eide Bailly, LLP; and Courtney Reikofski, BKD, LLP

*Notice of this meeting and a copy of the agenda were posted in the building lobby of the FPPA office and on the FPPA website at least twenty-four hours prior to the meeting.*

At 10:30 a.m., Chair Feely called the meeting to order.

Mr. Nuanes moved to approve the minutes of the September 19, 2017, meeting. Ms. Feely seconded the motion. The motion passed.

### SSAE 18 SOC 1 Type II 2017 Audit

Mr. Schmidt presented the Service Organization Control (SOC) audit of FPPA's administration of local defined benefit pension plan services for police officers and firefighters hired prior to April 8, 1978, and affiliated volunteer firefighter plans. A clean opinion was issued with no exceptions.

Messrs. Slack and Schmidt discussed methods for continuing complete security coverage.

The SOC audit will be posted on the employer portal in the fall. Ms. Collins and Chair Feely thanked staff for their work on this audit.

Mr. Schmidt disconnected from the conference line.

### Independent Auditors' presentation

Mr. Miller and Ms. Kurtz, Eide Bailly, presented the audit procedures and the results of FPPA's 2017 Financial Statement Audit. The Eide Bailly audit resulted in an unmodified opinion. Eide Bailly's report on internal controls over financial reporting and on compliance and other matters resulted in no issues identified of material weaknesses and no significant deficiencies in internal controls. Eide Bailly's Governance letter highlighted FPPA's implementation of the provisions of Government Accounting Standards Board (GASB) Statement No. 74, Financial Reporting for Postemployment Benefits Other Than Pension Plans. The statement established new accounting and financial reporting requirements for governments whose employees are provided with other post-employment benefits (OPEB), as well as

for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities.

At 11:04 a.m., Chair Feely excused staff to meet privately with Eide Bailly. Staff exited the meeting.

#### Review of December 31, 2017 Comprehensive Annual Financial Report (CAFR)

At 11:09 a.m., staff returned. Ms. Collins thanked staff and Ms. Smith for their work on the CAFR. Ms. Collins proceeded in the review of the CAFR Summary Highlights and the Letter of Transmittal. Ms. Smith reviewed the Financial and Investment sections of the CAFR. Ms. Collins followed with the review of the Actuarial and Statistical sections of the CAFR. Staff will collect and add Board members' credentials to the CAFR.

At 11:41 a.m., Mr. Nuanes moved to recommend that the Board accept the CAFR. Ms. Feely seconded the motion. The motion passed. The Committee will recommend the Board approve the CAFR.

At 11:42 a.m., Chair Feely called for a break for lunch.

#### Update on GASB 68 audit

At 12:13 p.m., the meeting reconvened and Ms. Smith provided a brief update on the GASB 68 audit. The audit will be presented at the September Committee meeting.

#### Internal Audit Reports

##### *Human Resources Processes and Systems Assessment*

Ms. Reikofski presented BKD's assessment of Human Resources Processes and Systems and provided three process improvements relating to payroll review and employee acknowledgment of policies.

Ms. Gorton discussed how the process improvements may be implemented, one of which has already been implemented.

##### *Internal Investment Committee Process Assessment*

Ms. Reikofski presented BKD's assessment of the Internal Investment Committee Processes. The auditors did not find any recommendations or process amendments. Mr. Slack explained the newly implemented record of action that documents the decision process.

#### Audit Committee charter revisions

Mr. Slack reviewed the proposed charter revisions. Mr. Slack also noted an additional revision on page 368, at paragraph 4 that should read "Audit committee members will be expected to review additional audit-related material outside of the course of normal board meetings, and are expected to be available to participate in meetings of the audit committee."

At 12:29 p.m., Mr. Nuanes moved to adopt the changes of the Audit Committee charter with the additional revision. Ms. Feely second the motion. The motion passed.

Evaluation of Eide Bailly LLP

At 12:30 p.m., the auditors left the meeting. The Committee and staff proceeded to the evaluation of Eide Bailly.

At 12:40 p.m., the Committee reviewed the tentative agenda for the September meeting. Chair Feely requested that staff confirm that we are receiving all of our external tax credits on our foreign investments.

At 12:47 p.m., Chair Feely declared the meeting adjourned.