



# Audits and Risk Management Committee

## Item number 5 – Open session

**Subject:** 2024 Management Letter

**Presenter(s):** Cheryl Cervantes Dietz and Julie Underwood

**Item type:** Information

**Date and time:** November 6, 2024 – 10 minutes

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**Attachment(s):** None

**PowerPoint presentation(s):** None

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### **Item purpose**

This item's purpose is to provide the Management Letter for the year ended June 30, 2024, as prepared by Crowe LLP.

### **Recommendation**

This is an information item only.

### **Executive Summary**

During an audit, the independent auditor may become aware of deficiencies in an internal control while obtaining an understanding of the entity and its internal control environment. A deficiency in internal controls exists when the design or operation of a control does not allow management or staff, in the normal course of performing their assigned functions, to prevent, detect and/or correct misstatements on a timely basis. Any material and significant deficiencies are included in the Report on Internal Control over Financial Reporting. Otherwise, deficiencies not considered significant, or material are included in a Management Letter, which is not required to be reported to the Board by the auditor. However, to promote transparency, the ARM Committee Charter requires CalSTRS' management to present the Management Letter to the ARM Committee.

For the basic financial statement audit conducted for the year ended June 30, 2024, **Crowe LLP did not issue a Management Letter.**

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

Board Policy linkage: [Board Governance Manual: ARM Committee Charter & Section 8-ARM Policies](#)

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