

AGENDA

A SPECIAL MEETING OF THE AUDIT COMMITTEE
OF THE BOARD OF RETIREMENT AND BOARD OF INVESTMENTS*
LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
300 N. LAKE AVENUE, SUITE 810, PASADENA, CALIFORNIA 91101

9:00 A.M., WEDNESDAY, DECEMBER 12, 2018**

***Although the meeting is scheduled for 9:00 a.m., the meeting will start at the conclusion of the Board of Investments Meeting scheduled for the same time.*

2018 AUDIT COMMITTEE MEMBERS

Michael S. Schneider, Chair
Vivian Gray, Vice Chair
Herman Santos, Secretary
Shawn R. Kehoe
Joseph Kelly

AUDIT COMMITTEE CONSULTANT

Rick Wentzel

I. CALL TO ORDER

II. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Audit Committee Meeting of September 12, 2018.

III. PUBLIC COMMENT

IV. NON-CONSENT ITEMS

- A. Recommendation, as submitted by Richard Bendall, Chief Audit Executive, that the Audit Committee review and discuss the following engagement report to take the following action(s):
1. accept and file report and/or,
 2. instruct staff to forward report to Boards or Committees and/or,
 3. provide further instruction to staff.
(Memo Dated: November 30, 2018)
 - a. Wire Transfer Audit
Kathryn Ton, Senior Internal Auditor
(Report Issued: October 02, 2018)
- B. Recommendation, as submitted by Richard Bendall, Chief Audit Executive, that the Audit Committee review and discuss the following engagement report to take the following action(s):
1. accept and file report and/or,
 2. instruct staff to forward report to Boards or Committees and/or,
 3. provide further instruction to staff.
(Memo Dated: November 30, 2018)
 - a. 2018 Information Technology Risk Assessment
George Lunde, Senior Internal Auditor
(Report Issued: July 8, 2018)

IV. NON-CONSENT ITEMS (Continued)

- C. Recommendation, as submitted by Richard Bendall, Chief Audit Executive, that the Audit Committee review and discuss the following engagement report to take the following action(s):
1. accept and file report and/or,
 2. instruct staff to forward report to Boards or Committees and/or,
 3. provide further instruction to staff.
(Memo Dated: November 30, 2018)
 - a. Member Applications Change Control
Gabriel Tafoya, Senior Internal Auditor
(Report Issued: October 30, 2018)
- D. Recommendation, as submitted by Richard Bendall, Chief Audit Executive, that the Audit Committee review and discuss the following engagement report to take the following action(s):
1. accept and file report and/or,
 2. instruct staff to forward report to Boards or Committees and/or,
 3. provide further instruction to staff.
(Memo Dated: November 30, 2018)
 - a. Los Angeles County Rehire Retiree Audit Report
Nathan Amick, Internal Auditor
(Report Issued: November 2, 2018)

V. REPORTS

- A. Plante Moran's Audit Results of the Fiscal Year End June 30, 2018
- Presentation of the Results of the Financial Audit by Jean Young, CPA Partner
 - Required Communications to those Charged with Governance
 - GASB 68 Disclosure Report, Accounting and Financial Reporting for Pensions
 - GASB 75 Disclosure Report, Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions

V. REPORTS (Continued)

- B. Internal Audit Staffing Report
Richard Bendall, Chief Internal Auditor
Leisha Collins, Principal Internal Auditor
(Discussion)
- C. Audit Plan Status Report
Richard Bendall, Chief Audit Executive
(Memo Dated: November 6, 2018)
- D. Internal Audit Goal Report
Richard Bendall, Chief Audit Executive
(Memo Dated: November 30, 2018)
- E. Recommendation Follow-Up Report
Richard Bendall, Chief Audit Executive
(Memo Dated: November 30, 2018)
- F. Additional External Audit Work Requested of Plante Moran
Richard Bendall, Chief Audit Executive
(Memo Dated: November 30, 2018)
(For Information Only)
- G. **Attorney-Client Privilege/Confidential Memo**
Privacy Audit Recommendation Follow-Up
Steven Rice, Chief Legal Counsel
Richard Bendall, Chief Audit Executive
(Memo Dated: November 30, 2018)
(For Information Only)
- H. **Attorney-Client Privilege/Confidential Memo**
Human Resources Compliance Audit [by Liebert Cassidy Whitmore]
Recommendation Follow-Up
Steven Rice, Chief Legal Counsel
Richard Bendall, Chief Audit Executive
(Memo Dated: November 30, 2018)
(For Information Only)
- I. Status of Other External Audits Not Conducted at the Discretion of
Internal Audit
Richard Bendall, Chief Audit Executive
(For Information Only) (Discussion)

December 12, 2018

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VI. CONSULTANT COMMENTS

Rick Wentzel, Audit Committee Consultant
(Verbal Presentation)

VII. GOOD OF THE ORDER (For Information Purposes Only)

VIII. EXECUTIVE SESSION

- A. Performance Evaluation – CAE Goals Report
[Pursuant to Government Code Section 54957(b)(1)]
Title: Chief Audit Executive

IX. ADJOURNMENT

**The Board of Retirement and Board of Investments have adopted a policy permitting any member of the Boards to attend a standing committee meeting open to the public. In the event five (5) or more members of either the Board of Retirement and/or the Board of Investments (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board of Retirement and/or Board of Investments. Members of the Board of Retirement and Board of Investments who are not members of the Committee may attend and participate in a meeting of a Board Committee but may not vote on any matter discussed at the meeting. Except as set forth in the Committee's Charter, the only action the Committee may take at the meeting is approval of a recommendation to take further action at a subsequent meeting of the Board.*

***Although the meeting is scheduled for 9:00 a.m., it can start anytime thereafter, depending on the length of the Board of Investment meeting and Committees preceding it. Please be on call.*

Documents subject to public disclosure that relate to an agenda item for an open session of the Board and/or Committee that are distributed less than 72 hours prior to the meeting will be available for public inspection at the time they are distributed to a majority of the members of any such Board and/or Committee at LACERA's offices at 300 N. Lake Avenue, Suite 820, Pasadena, CA 91101 during normal business hours [e.g., 8:00 a.m. to 5:00 p.m. Monday through Friday].

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