

APPROVED

MINUTES OF THE 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, CA

8:00 A.M., THURSDAY, MARCH 14, 2019

PRESENT: Joseph Kelly, Chair
Gina Sanchez, Vice Chair
Herman Santos, Secretary
Alan Bernstein
Shawn Kehoe
Les Robbins (Telephonically)

MEMBERS AT LARGE:

Vivian Gray
Ronald Okum
Thomas Walsh
Gina Zapata-Murphy

STAFF, ADVISORS, PARTICIPANTS

Richard Bendall, Chief Audit Executive
Steven P. Rice, Chief Legal Counsel
Rick Wentzel, Audit Committee Consultant

Leisha Collins, Principal Internal Auditor

STAFF, ADVISORS, PARTICIPANTS

Christina Logan, Senior Internal Auditor

Kathryn Ton, Senior Internal Auditor

I. CALL TO ORDER

The meeting was called to order at 8:02 a.m., in the Board Room of Gateway Plaza.

II. APPROVAL OF THE MINUTES

A. Approval of the Minutes of the Regular Meeting of December 12, 2018.

Mr. Kelly made a motion, Mr. Santos seconded, to approve the minutes of the special Audit Committee meeting of December 12, 2018. The motion passed unanimously.

III. PUBLIC COMMENT

There were no requests from the public to speak.

IV. NON-CONSENT AGENDA

A. Recommendation as submitted by Richard Bendall, Chief Audit Executive: That the Committee approve the Audit Committee Schedule.

Mr. Kehoe made a motion, Mr. Santos seconded, to approve staff's recommendation including the following revision: Audit Committee Meeting be held on July 11, 2019 and December 5, 2019. The motion passed unanimously.

IV. NON-CONSENT AGENDA (Continued)

- B. Recommendation as submitted by Richard Bendall, Chief Audit Executive: That the committee approve two-year extension of the Audit Committee Consultant Agreement and authorized staff to execute the contract extension with Grant Thorton, LLP.

Mr. Bernstein made a motion, Mr. Kehoe seconded, to approve staff's recommendation. The motion passed unanimously.

- C. Recommendation, as submitted by Richard Bendall, Chief Audit Executive: That the 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

Mr. Kehoe made a motion, Mr. Santos seconded, to approve staff's recommendation including the following revision: That the Credit Card Policy be included with this report and provide the audit report to both boards at the May board Meetings. The motion passed unanimously.

Richard Bendall, Leisha Collins, Kathryn Ton, Ted Granger, Steve Rice were present to answer questions from the Committee.

V. REPORT ON STAFF ACTION ITEMS

The Board requested all LACERA policies to be added to BoardVantage and Board Resources page.

VI. REPORTS

- A. Internal Audit Risk Assessment Process
Richard Bendall, Chief Audit Executive
(Memo dated March 1, 2019)

Mr. Bendall was present and answered questions from the Committee. This report was received and filed.

- B. Internal Audit Staffing Report
Richard Bendall, Chief Audit Executive
(Verbal Presentation)

Mr. Bendall was present and answered questions from the Committee. This report was received and filed.

- C. Status of Other External Audits Not Conducted at the Discretion of Internal Audit
Richard Bendall, Chief Audit Executive
(Verbal Presentation)

- D. Audit Plan Status Report
Richard Bendall, Chief Audit Executive
(For Information Only) (Memo dated February 28, 2019)

Mr. Bendall was present and answered questions from the Committee. This report was received and filed.

- E. Recommendation Follow-Up Report
Richard Bendall, Chief Audit Executive
(For Information Only) (Memo dated February 28, 2019)

Mr. Bendall was present and answered questions from the Committee. This report was received and filed.

- F. Attorney-Client Privilege/Confidential Memo
Privacy Audit Recommendation Follow-Up
Richard Bendall, Chief Audit Executive
(For Information Only) (Memo dated February 28, 2019)

VI. REPORTS (Continued)

- G. Attorney-Client Privilege/Confidential Memo
Human Resources Compliance Audit [by Liebert Cassidy Whitmore]
Recommendation Follow-Up
Richard Bendall, Chief Audit Executive
(For Information Only) (Memo dated March 1, 2019)

VII. GOOD OF THE ORDER

(For Information Purposes Only)

Mr. Bendall welcomed and introduced LACERA's new Senior Internal Auditors, Kristina Sun and Summy Voong.

VIII. ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 9:04 a.m.