

APPROVED

MINUTES OF THE REGULAR MEETING OF THE AUDIT COMMITTEE AND  
BOARD OF RETIREMENT AND BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

9:00 A.M., THURSDAY, SEPTEMBER 19, 2024

*This meeting was conducted by the Audit Committee and Board of Retirement and Board of Investments both in person and by teleconference under California Government Code Section 54953 (b)(f).*

COMMITTEE TRUSTEES:

PRESENT: Debbie Martin (BOI), Chair  
Wayne Moore (BOR), Vice Chair (Joined the meeting at 9:08 a.m.)  
Nancy Durazo (BOR), Trustee  
Jason Green (BOI), Trustee  
Nicole Mi (BOI), Trustee  
Elizabeth Ginsberg, Ex-Officio (Joined the meeting at 10:47 a.m.)

ABSENT: Vivian Gray (BOR), Secretary

OTHER TRUSTEE:

Patrick L. Jones, Board of Investments (Left the meeting at 10:00 a.m.)

STAFF, ADVISORS AND PARTICIPANTS

Santos H. Kreimann, Chief Executive Officer

Luis A. Lugo, Deputy Chief Executive Officer

STAFF, ADVISORS AND PARTICIPANTS (Continued)

Laura Guglielmo, Assistant Executive Officer

JJ Popowich, Assistant Executive Officer

Steven P. Rice, Chief Counsel

Allison Barrett, Senior Staff Counsel

Carly Ntoya, Human Resources Director

Richard P. Bendall, Chief Audit Executive

Leisha E. Collins, Principal Internal Auditor

Christina Logan, Principal Internal Auditor

Nathan K. Amick, Senior Internal Auditor

Kristina Sun, Senior Internal Auditor

Gabriel Tafoya, Senior Internal Auditor

George Lunde, Senior Internal Auditor

Larry Jensen, Audit Committee Consultant

I. CALL TO ORDER

This meeting was called to order by Chair Martin at 9:03 a.m. in the Board Room of Gateway Plaza.

II. PLEDGE OF ALLEGIANCE

Audit Committee Consultant, Larry Jensen led the Trustees and staff in reciting the Pledge of Allegiance.

III. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE  
UNDER AB 2449, California Government Code Section 54953 (f)

A. Just Cause

B. Action on Emergency Circumstance Requests

III. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE  
UNDER AB 2449, California Government Code Section 54953 (f)  
(Continued)

C. Statement of Persons Present at Teleconference Locations

No requests were received for Just Cause (A) or Emergency Circumstances (B).

IV. APPROVAL OF THE MINUTES

(Trustee Moore joined the meeting at 9:08 a.m.)

A. Approval of the Minutes of the Regular Meeting of March 18, 2024

Trustee Mi made a motion, Trustee Durazo seconded, to approve the Minutes of the Regular meeting of March 18, 2024. The motion passed by the following roll call vote:

Yes: Durazo, Green, Mi, Martin

Absent: Ginsberg, Gray, Moore

B. Approval of the Minutes of the Regular Meeting of June 20, 2024

Trustee Mi made a motion, Trustee Durazo seconded, to approve the Minutes of the Regular Meeting of June 20, 2024. The motion passed by the following roll call vote:

Yes: Durazo, Green, Mi, Martin

Absent: Ginsberg, Gray, Moore

V. PUBLIC COMMENT

There were no requests from the public to speak.

## VI. NON-CONSENT ITEMS

- A. **2024 Audit, Compliance, Risk, Ethics (ACRE) Committee Charter**  
Recommendation as submitted by, Steven P. Rice, Chief Counsel, Richard P. Bendall, Chief Audit Executive, Christina Logan, Principal Internal Auditor, Allison E. Barrett, Senior Staff Counsel: That the Committee (1) review and approve the 2024 Audit Compliance, Risk, and Ethics (ACRE) Committee Charter, (2) and upon approval, recommend to the Board of Retirement and Board of Investments to approve and adopt the 2024 ACRE Committee Charter.  
(Presentation) (Memo dated July 9, 2024)

Ms. Logan, Ms. Barrett and Messrs. Bendall, Rice provided a presentation and answered questions from the Committee.

Trustee Green made a motion, Trustee Moore seconded, to approve staff's recommendation. The motion passed by the following roll call vote:

Yes: Durazo, Green, Mi, Moore, Martin

Absent: Ginsberg, Gray

- B. **Updated Internal Audit Charter**  
Recommendation as submitted by Christina Logan, Principal Internal Auditor: That the Committee approve the Internal Audit's Revised Charter. (Memo dated July 9, 2024)

Ms. Logan and Mr. Bendall were present and answered questions from the Committee.

Trustee Green made a motion, Trustee Mi seconded, to approve staff's recommendation. The motion passed by the following roll call vote:

Yes: Durazo, Green, Mi, Moore, Martin

Absent: Ginsberg, Gray

- C. **Ethics and Compliance Program Charter**  
Recommendation as submitted by Shawn R. Kehoe, Chair, on behalf of the Board of Retirement, and Patrick L. Jones, Chair, on behalf of the Board of Investments: That the Committee review and approve the

VI. NON-CONSENT ITEMS (Continued)

proposed Ethics and Compliance Program Charter and recommend it to the Board of Retirement and Board of Investments (Boards) for final approval. (Presentation) (Memo dated June 4, 2024) (Supplemental Memo dated July 9, 2024)

Ms. Barrett and Mr. Rice were present and answered questions from the Committee.

Trustee Moore made a motion, Trustee Green seconded, to approve staff's recommendation. The motion passed by the following roll call vote:

Yes: Durazo, Green, Mi, Moore, Martin

Absent: Ginsberg, Gray

D. **Ethics and Compliance Program Foundational Work Plan**

Recommendation as submitted by Steven P. Rice, Chief Counsel; and Allison Barrett, Senior Staff Counsel: That the Committee (1) review and approve the proposed Ethics and Compliance Program Foundational Work Plan; and (2) forward the proposed Work Plan to the Board of Retirement and Board of Investments. (Memo dated September 4, 2024)

Ms. Barrett, Messrs. Rice, Lugo, and Bendall were present and answered questions from the Committee.

Trustee Moore made a motion, Trustee Green seconded, to approve staff's recommendation. The motion passed by the following roll call vote:

Yes: Durazo, Green, Mi, Moore, Martin

Absent: Gray

VI. NON-CONSENT ITEMS (Continued)

E. **Fiscal Year 2024 – 2025 Internal Audit Plan**

(Trustee Ginsberg arrived at 10:47 a.m.)

Recommendation as submitted by Richard P. Bendall, Chief Audit Executive: That the Committee review and approve the Fiscal Year End 2024 -2025 Audit Plan.

(Presentation) (Memo dated September 5, 2024)

Mr. Bendall provided a presentation and Messrs. Santos, Jensen answered questions from the Committee.

Trustee Green made a motion, Trustee Mi seconded, to approve staff's recommendation. The motion passed by the following roll call vote:

Yes: Durazo, Ginsberg, Green, Mi, Moore, Martin

Absent: Gray

F. **LACERA Rehired Retirees Program Audit Fiscal Years Ended June 30, 2023, and 2024**

Recommendation as submitted by George Lunde, Senior Internal Auditor: That the Committee review and discuss the following engagement report to take the following action(s):

1. Accept and file report,
2. Instruct staff to forward report to Boards or Committees,
3. Make recommendations to the Boards or Committees regarding actions as may be required based on audit findings, and/or

4. Provide further instruction to staff.

(Presentation) (Memo dated July 9, 2024)

Mr. Bendall was present and answered questions from the Committee.

VI. NON-CONSENT ITEMS (Continued)

Trustee Green made a motion, Trustee Ginsberg seconded, to accept and file the report and forward to the Boards of Investments and Board of Retirement as a For Information Only item. The motion passed by the following roll call vote:

Yes: Durazo, Ginsberg, Green, Mi, Moore, Martin

Absent: Gray

G. **Audit of Termination of User Access Process**

Recommendation as submitted by Gabriel Tafoya, Senior Internal Auditor: That the Committee review and discuss the following engagement report to take the following action(s):

1. Accept and file report,
2. Instruct staff to forward report to Boards or Committees,
3. Make recommendations to the Boards or Committees regarding actions as may be required based on audit findings, and/or
4. Provide further instruction to staff.  
(Presentation) (Memo dated August 30, 2024)

Messrs. Tafoya, Bendall provided a brief presentation answered questions from the Committee.

Trustee Moore made a motion, Trustee Durazo seconded, to accept and file the report and provide a status report at the next meeting. The motion passed by the following roll call vote:

Yes: Durazo, Ginsberg, Green, Mi, Moore, Martin

Absent: Gray

H. **Review of Chief Executive Officer's Credit Card Expenditures**

Recommendation as submitted by Gabriel Tafoya, Senior Internal Auditor: That the Committee review and discuss the following engagement report to take the following action(s):

1. Accept and file report,
2. Instruct staff to forward report to Boards or Committees,

VI. NON-CONSENT ITEMS (Continued)

3. Make recommendations to the Boards or Committees regarding actions as may be required based on audit findings, and/or
4. Provide further instruction to staff.  
(Presentation) (Memo dated August 30, 2024)

Trustee Mi made a motion, Trustee Moore seconded, to accept and file the report. The motion passed by the following roll call vote:

Yes: Durazo, Ginsberg, Green, Mi, Moore, Martin

Absent: Gray

I. **LACERA's Bonus Program Continuous Auditing Program (CAP) Audit Memorandum**

Recommendation as submitted by Richard P. 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,
2. Instruct staff to forward report to Boards or Committees,
3. Make recommendations to the Boards or Committees regarding actions as may be required based on audit findings, and/or
4. Provide further instruction to staff.  
(Memo dated September 4, 2024)

Mr. Bendall answered questions from the Committee.

Trustee Moore made a motion, Trustee Green seconded, to accept and file the report. The motion passed by the following roll call vote:

Yes: Durazo, Ginsberg, Green, Mi, Moore, Martin

Absent: Gray



## VII. REPORTS

### A. **Audit/Proposed ACRE Committee Training**

(Trustee Moore joined the meeting at 9:08 a.m.) (Trustee Jones left the meeting at 10:00 a.m.)

Richard P. Bendall, Chief Audit Executive

Steven P. Rice, Chief Counsel

(Presentation) (Memo dated September 5, 2024)

This item was held prior to item VI. A.

Messrs. Bendall, Lugo, Rice and Jensen provided a presentation and answered questions from the Committee.

This item was received and filed.

### B. **Internal Audit Annual Performance Report – Fiscal Year Ended 2024**

Nathan K. Amick, Senior Internal Auditor

(Presentation) (Memo dated September 4, 2024)

This item was received and filed.

### C. **Fiscal Year Ending (FYE) 2025 Internal Audit Goals**

Richard P. Bendall, Chief Audit Executive

(Memo dated August 21, 2024)

This item was received and filed.

### D. **Organizational Culture Engagement**

Christina Logan, Principal Internal Auditor

(For Information Only) (Memo dated August 30, 2024)

This item was received and filed.

### E. **Recommendation Follow-Up**

Nathan Amick, Senior Internal Auditor

(For Information Only) (Memo dated September 4, 2024)

This item was received and filed.

VII. REPORTS (Continued)

F. **Recommendation Follow-Up for Sensitive Information Technology Areas**

Gabriel Tafoya, Senior Internal Auditor  
(For Information Only) (Memo dated September 4, 2024)

This item was received and filed.

G. **Ethics Hotline Status Report**

Leisha E. Collins, Principal Internal Auditor  
(For Information Only) (Memo dated August 21, 2024)

This item was received and filed.

H. **Internal Audit Staffing Activity Report**

Richard P. Bendall, Chief Audit Executive  
(For Information Only) (Memo dated September 4, 2024)

This item was received and filed.

I. **Status of Other External Audits Not Conducted at the Discretion of Internal Audit**

Richard P. Bendall, Chief Audit Executive  
(Verbal Update)

This item was received and filed.

VIII. CONSULTANT COMMENTS

Larry Jensen, Audit Committee Consultant  
(Verbal Presentation)

There was nothing to report.

IX. ITEMS FOR STAFF REVIEW

Trustee Green requested staff to provide a status on VI. G. and VI. I at the next Audit Committee meeting. In addition, Trustee Green requested a copy of the Bonus Policy for reference.

X. ITEMS FOR FUTURE AGENDAS

There was nothing to report.

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

There was nothing to report.

XII. ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 11:47 a.m.

