

MINUTES OF THE REGULAR 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

9:00 A.M., WEDNESDAY, JULY 18, 2018

PRESENT: Michael S. Schneider, Chair

Vivian Gray, Vice Chair

Herman Santos, Secretary

ABSENT: David Green

Shawn R. Kehoe

Joseph Kelly

STAFF, ADVISORS, PARTICIPANTS

Steven P. Rice, Chief Legal Counsel

Rick Wentzel, Audit Committee Consultant

Quoc Nguyen, Principal Internal Auditor

Leisha Collins, Principal Internal Auditor

Christina Logan, Senior Internal Auditor

Gabriel Tafoya, Senior Internal Auditor

Kathryn Ton, Senior Internal Auditor

I. CALL TO ORDER

The meeting was called to order at 9:04 a.m., in the Board Room of Gateway Plaza. Due to a lack of a quorum no action was taken during the Committee meeting.

II. APPROVAL OF THE MINUTES

A. Approval of the Minutes of the Regular Meeting of March 21, 2018.

This agenda item was moved to the next Internal Audit Committee Meeting.

III. PUBLIC COMMENT

There were no requests from the public to speak.

IV. NON-CONSENT AGENDA

A. Recommendation as submitted by Leisha Collins, Principal Internal Auditor and Quoc Nguyen, Principal Internal Auditor: That the Committee approve the Audit Plan for Fiscal Year End 2019.

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 on July 5, 2018)

Leisha Collins, Quoc Nguyen, Roxana Castillo, Robert Hill, Bernardo Buenafior,

Derwin Brown were present to answer questions from the Committee.

This Agenda item was moved to the next Internal Audit Committee Meeting.

IV. NON-CONSENT AGENDA (Continued)

- B. Recommendation as submitted by Quoc Nguyen, Principal Internal Auditor: That the Committee review and discuss the Securities Lending Program and 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 on July 5, 2018)

Quoc Nguyen, Kathryn Ton, Vache Mahseredjian, were present to answer questions from the Committee.

This Agenda item was moved to the next Internal Audit Committee Meeting.

- C. Recommendation as submitted by Quoc Nguyen, Principal Internal Auditor: That the Committee review and discuss the Tier II Retiree Healthcare Program report and take the following actions(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 on July 5, 2018)

This Agenda item was moved to the next Internal Audit Committee Meeting.

- D. Recommendation as submitted by Quoc Nguyen, Principal Internal Auditor: That the Committee review and discuss the Contract Monitoring Program Status Update report and 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 on July 5, 2018)

Quoc Nguyen, Roxana Castillo, Robert Hill, John Nogales were present to answer questions from the Committee.

This Agenda item was moved to the next Internal Audit Committee Meeting.

V. REPORTS

- A. Audit Plan Staffing Report
Leisha Collins, Principal Internal Auditor
Quoc Nguyen, Principal Internal Auditor
(Report Updated on July 5, 2018)

Leisha Collins, Quoc Nguyen, Roxana Castillo, Robert Hill, Bernardo Buenafior,

Derwin Brown, John Nogales were present to answer questions from the Committee.

- B. Status of Other External Audits Not Conducted at the Discretion of Internal Audit
Leisha Collins, Principal Internal Auditor
(For Information Only) (Discussion)
- C. Internal Audit Annual Report – Fiscal Year End 2018
Leisha Collins, Principal Internal Auditor
(For Information Only) (Memo dated July 5, 2018)
- D. Internal Audit Goal Report
Leisha Collins, Principal Internal Auditor
(For Information Only) (Memo dated July 2, 2018)
- E. Recommendation Follow-Up Report
Leisha Collins, Principal Internal Auditor
Gabriel Tafoya, Senior Internal Auditor
(For Information Only) (Memo dated July 5, 2018)
- F. Privacy Audit Recommendation Follow-Up
Leisha Collins, Principal Internal Auditor
Christina Logan, Senior Internal Auditor
(For Information Only) (Memo dated July 10, 2018)
- G. Human Resources Compliance Audit [by Liebert Cassidy Whitmore]
Recommendation Follow-Up
Leisha Collins, Principal Internal Auditor
(For Information Only) (Memo dated June 29, 2018)

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VI. REPORT ON STAFF ACTION ITEMS

Mr. Santos recommended that the Internal Audit Staff prioritize the Board and Staff Travel Policy.

Mr. Santos recommended that Leisha Collins follow up on the staffing needs of the Internal Audit Department.

VII. GOOD OF THE ORDER (For information purposes only)

Committee members thanked staff for their hard work.

VIII. ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 10:04 a.m.