

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 91101

8:00 A.M., WEDNESDAY, MARCH 4, 2020

PRESENT: Gina V. Sanchez, Chair

Keith Knox, Vice Chair

Vivian H. Gray

David Green

ABSENT: Herman B. Santos, Secretary

MEMBERS AT LARGE

Thomas Walsh

Wayne Moore

STAFF, ADVISORS, PARTICIPANTS

Richard Bendall, Chief Audit Executive

Santos H. Kreimann, Chief Executive Officer

Steven P. Rice, Chief Counsel

Leisha Collins, Principal Internal Auditor

Summy Voong, Senior Internal Auditor

Kristina Sun, Senior Internal Auditor

Gabriel Tafoya, Senior Internal Auditor

Nathan Amick, Internal Auditor

Rick Wentzel, Audit Committee Consultant

I. CALL TO ORDER

The meeting was called to order at 8:04 a.m., in the Board Room of Gateway Plaza.

II. APPROVAL OF THE MINUTES

- A. Approval of the Minutes of the Special Meeting of August 7, 2019 and the Regular Audit Committee Meeting of December 5, 2019.

Mr. Green made a motion, Mr. Knox seconded, to approve the minutes of the Special Audit Committee meeting of August 7, 2019 and the Regular Audit Committee Meeting of December 5, 2019. The motion passed unanimously.

III. PUBLIC COMMENT

There were no requests from the public to speak.

IV. NON-CONSENT ITEMS

- A. Recommendation as submitted by Richard Bendall, Chief Audit Executive: That the Audit Committee review the 2020 meeting calendar and schedule Audit Committee Meetings for June, August, October, and December of 2020.

Ms. Sanchez made a motion, Mr. Knox seconded to approve staff recommendations including the following revisions: Audit Committee Meetings to be held in June, August, October, and December 2020. The motion passed unanimously.

IV. NON-CONSENT ITEMS (Continued)

- B. Recommendation as submitted by Richard Bendall, Chief Audit Executive: That the Audit Committee review and approve the FYE 2020 Internal Audit Plan Amendments.

Mr. Knox made a motion, Mr. Green seconded, to approve staff's recommendations. The motion passed unanimously.

- C. Recommendation, as submitted by Richard Bendall, Chief Audit Executive and Summy Voong, Senior Internal Auditor: That the Audit Committee review and discuss the Benefits' Exception Report Audit and provide the following action(s):

1. Accept and file report;
2. Instruct staff to forward report to Boards or Committees and/or,
3. Provide further instruction to staff. (Memo dated November 22, 2019)

Mr. Knox made a motion, Mr. Green seconded, to accept and file the report. The motion passed unanimously.

- D. Recommendation, as submitted by Richard Bendall, Chief Audit Executive and Kristina Sun, Senior Internal Auditor: That the Audit Committee review and discuss the Timekeeping Audit and provide the following action(s):

1. Accept and file report;
2. Instruct staff to forward report to Boards or Committees and/or,
3. Provide further instruction to staff. (Memo dated November 22, 2019)

Mr. Green made a motion, Mr. Knox seconded, to accept and file the report. The motion passed unanimously.

V. REPORTS

- A. Internal Audit Risk Assessment Process
Richard Bendall, Chief Audit Executive
(Memo dated February 20, 2020)

Mr. Bendall provided an overview of the Risk Assessment Process and answered questions from the Committee. This Report was received and filed.

- B. Hotline Status Reporting
Richard Bendall, Chief Audit Executive
(Verbal Presentation)

Mr. Bendall and Ms. Ton were present and answered questions from the Committee. This Report was received and filed.

- C. Recommendation Follow-Up Report
Richard Bendall, Chief Audit Executive
(For Information Only) (Memo dated on February 20, 2020)

Mr. Bendall and Mr. Tafoya were present and answered questions from the Committee. This Report was received and filed.

- D. Real Estate Advisor Review
Richard Bendall, Chief Audit Executive
(For Information Only) (Memo dated on February 20, 2020)

Ms. Collins and Ms. Ton were present and answered questions from the Committee. This Report was received and filed.

- E. Continuous Auditing Program (CAP)
Richard Bendall, Chief Audit Executive
(For Information Only) (Memo dated on February 20, 2020)

Mr. Tafoya and Mr. Amick were present and answered questions from the Committee. This Report was received and filed.

V. REPORTS (Continued)

- F. Continuous Auditing Program (CAP)
Richard Bendall, Chief Audit Executive
(For Information Only) (Memo dated on February 20, 2020)

Mr. Tafoya and Mr. Amick were present and answered questions from the Committee. This Report was received and filed.

- G. Status of Other External Audits Not Conducted at the Discretion of Internal Audit
Richard Bendall, Chief Audit Executive
(For Information Only) (Discussion)

Mr. Bendall and Mr. Rice were present and answered questions from the Committee. This Report was received and filed.

- H. **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 on February 20, 2020)

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

VI. REPORT ON STAFF ACTION ITEMS

The Board requested that the Human Resources Compliance Audit memo be revised and presented in the June 2020 meeting.

VII. CONSULTANT COMMENTS

Rick Wentzel, Audit Committee Consultant
(Verbal Presentation)

VIII. GOOD OF THE ORDER

(For Information Purposes only)

There were no comments during Good of the Order.

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IX. ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 9:03 a.m.