

**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., THURSDAY, JUNE 25, 2020

*This meeting was conducted by teleconference pursuant to the Governor's Executive Order N-29-20. The public may attend the meeting at LACERA's offices.*

PRESENT: Gina V. Sanchez, Chair  
Keith Knox, Vice Chair  
Herman B. Santos, Secretary  
Vivian H. Gray  
David Green (Left the meeting at 9:00 a.m.)

MEMBERS AT LARGE

JP Harris  
Les Robbins

STAFF, ADVISORS, PARTICIPANTS

Santos H. Kreimann, Chief Executive Officer  
Richard Bendall, Chief Audit Executive  
Steven P. Rice, Chief Counsel  
Leisha Collins, Principal Internal Auditor

STAFF, ADVISORS, PARTICIPANTS (Continued)

Christina Logan, Senior Internal Auditor

Summy Voong, Senior Internal Auditor

Kathryn Ton, Senior Internal Auditor

Gabriel Tafoya, Senior Internal Auditor

Kristina Sun, Senior Internal Auditor

Nathan Amick, Internal Auditor

James Brekk, Information Systems Manager

Bernie Buenaflor, Benefits Manager

Rick Wentzel, Audit Committee Consultant

I. CALL TO ORDER

The meeting was called to order at 8:00 a.m., in the Board Room of Gateway Plaza.

II. APPROVAL OF THE MINUTES

A. Approval of the Minutes of the Special Audit Committee Meeting of May 8, 2020.

Mr. Green made a motion, Mr. Knox seconded, to approve the minutes of the Special Audit Committee meeting of May 8, 2020. The motion passed (roll call) with Messrs. Green, Knox, Santos, Ms. Gray and Ms. Sanchez voting yes.

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 and Christina Logan, Senior Internal Auditor: That the Committee approve the Revisions to Internal Audit Charter.  
(Memo dated June 16, 2020)

Mr. Green made a motion, Mr. Knox seconded, to approve staff's recommendations. The motion passed (roll call) with Messrs. Green, Knox, Santos, Ms. Gray and Ms. Sanchez voting yes.

- B. Recommendation as submitted by Gina Sanchez, Chair Audit Committee: That the Committee authorize the issuance of a Request for Proposal for External Assessment of Internal Audit Recommendation Follow-Up Process.  
(Memo dated June 16, 2020)

Mr. Santos made a motion, Mr. Green seconded, to approve an RFP. The motion passed (roll call) with Messrs. Green, Knox, Santos, Ms. Gray and Ms. Sanchez voting yes.

- C. Recommendation as submitted by Richard Bendall, Chief Audit Executive and Summy Voong, Senior Internal Auditor: That the Committee review and discuss the Mobile Device Management Controls 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 June 16, 2020)

IV. NON-CONSENT ITEMS (Continued)

Mr. Green made a motion, Mr. Knox seconded, to accept and file the report and direct staff to work with Executive Office to incorporate applicable recommendations into the revised MDM Policy. The motion passed (roll call) with Messrs. Green, Knox, Santos, Ms. Gray and Ms. Sanchez voting yes.

D. Recommendation as submitted by Richard Bendall, Chief Audit Executive and Kathryn Ton, Senior Internal Auditor: That the Committee review and discuss the Contract Management System (CMS) 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 June 16, 2020)

Mr. Green made a motion, Mr. Santos seconded, to accept and file the report.

E. Recommendation as submitted by Richard Bendall, Chief Audit Executive and Summy Voong, Senior Internal Auditor: That the Committee review and discuss the Clear Skies Penetration Test and Veracode Static Code Analysis 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 June 16, 2020)

#### IV. NON-CONSENT ITEMS (Continued)

Mr. Santos made a motion, Mr. Green seconded, to accept and file the report.

- F. Recommendation, as submitted by Richard Bendall, Chief Audit Executive and Nathan Amick, Internal Auditor: That the Committee review and discuss the Foreign Payees 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 June 16, 2020)

Mr. Knox made a motion, Mrs. Gray seconded to accept and file the report.

#### V. REPORTS

- A. Final Audit Plan Status Report - FYE June 30, 2020  
Richard Bendall, Chief Audit Executive  
Leisha Collins, Principal Internal Auditor  
(Memo dated June 16, 2020)

Mrs. Collins was present and answered questions from the Committee.

This Report was received and filed.

- B. FYE 2021 Risk Assessment and Audit Plan Development  
Richard Bendall, Chief Audit Executive  
Leisha Collins, Principal Internal Auditor  
(Memo dated June 16, 2020)

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

This Report was received and filed.

V. REPORTS (Continued)

- C. Internal Audit's Quality Assurance and Improvement Program (QAIP)  
Richard Bendall, Chief Audit Executive  
Christina Logan, Senior Internal Auditor  
(Memo dated June 16, 2020)

Ms. Logan was present and answered questions from the Committee.

This Report was received and filed.

- D. Internal Audit Goals Report  
Richard Bendall, Chief Audit Executive  
Leisha Collins, Principal Internal Auditor  
(Memo dated June 16, 2020)

Mrs. Collins was present and answered questions from the Committee.

This Report was received and filed.

- E. Recommendation Follow-Up Report  
Richard Bendall, Chief Audit Executive  
Gabriel Tafoya, Senior Internal Auditor  
(Memo dated June 16, 2020)

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

- F. **Attorney-Client Privilege/Confidential Memo**  
2016 Privacy Audit (By Alston & Bird) – June 2020 Follow Up  
Richard Bendall, Chief Audit Executive  
Kristina Sun, Senior Internal Auditor  
(Memo dated June 16, 2020)

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

V. REPORTS (Continued)

G. Real Estate Manager Compliance Reviews

Richard Bendall, Chief Audit Executive

Kathryn Ton, Senior Internal Auditor

(For Information Only) (Memo dated June 16, 2020)

This Report was received and filed.

H. Continuous Auditing Program (CAP)

Richard Bendall, Chief Audit Executive

Gabriel Tafoya, Senior Internal Auditor

Nathan Amick, Internal Auditor

(For Information Only) (Memo dated June 16, 2020)

This Report was received and filed.

I. Ethics Hotline Status Report

Richard Bendall, Chief Audit Executive

Kathryn Ton, Senior Internal Auditor

(For Information Only) (Memo dated June 16, 2020)

This Report was received and filed.

VI. CONSULTANT COMMENTS

Rick Wentzel, Audit Committee Consultant

(Verbal Presentation)

Mr. Wentzel thanked staff for their hard work.

VII. GOOD OF THE ORDER

(For Information Purposes Only)

Mr. Harris recommended staff to provide headphones and microphones for

Committee members.

VIII. ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 9:47 a.m.