

**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, AUGUST 19, 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

MEMBERS AT LARGE

Shawn R. Kehoe

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)

Gabriel Tafoya, Senior Internal Auditor

Nathan Amick, Internal Auditor

Kathy Delino, Interim System Division Manager

Summy Voong, Interim Assistant System Division 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 June 25, 2020.

Mr. Santos made a motion, Mr. Knox seconded, to approve the minutes of the Special Audit Committee meeting of June 25, 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 Leisha Collins, Principal Internal Auditor and Christina Logan, Senior Internal Auditor: That the Committee approve Fiscal Year 2020-2021 Internal Audit Plan. (Memo dated July 30, 2020)

IV. NON-CONSENT ITEMS (Continued)

Mr. Santos 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 approve KPMG LLP as Consultant to Conduct External Assessment of Internal Audit Recommendation Follow-Up Process. (Memo dated July 30, 2020)

Mr. Santos made a motion, Mr. Green seconded, to approve staff's recommendations. 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 Nathan Amick, Internal Auditor: That the Committee review and discuss the Audit of Los Angeles County's Compliance with Requirements for Rehired Retirees and provide 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 July 30, 2020)

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

V. REPORTS

The following items were received and filed.

V. REPORTS (Continued)

- A. Proposed Revisions to the Audit Committee Composition  
Richard Bendall, Chief Audit Executive  
Leisha Collins, Principal Internal Auditor  
Christina Logan, Senior Internal Auditor  
(Memo dated August 11, 2020)

Mr. Bendall and Mrs. Collins were present to answer questions from the Committee.

- B. FY 2020-2021 Internal Audit Goals  
Richard Bendall, Chief Audit Executive  
Leisha Collins, Principal Internal Auditor  
(Memo dated July 30, 2020)

Mr. Bendall was present to answer questions from the Committee.

- C. Recommendation Follow-Up for Sensitive Information Technology Areas  
Richard Bendall, Chief Audit Executive  
Gabriel Tafoya, Senior Internal Auditor  
Christina Logan, Senior Internal Auditor  
(Memo dated July 30, 2020)

Messrs. Bendall, Tafoya, and Schlofelt were present to answer questions from the Committee.

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

Mr. Bendall was present to answer questions from the Committee.

VI. ITEMS FOR STAFF REVIEW

There were no Items for Staff Review.

VII. GOOD OF THE ORDER

There was nothing to report during Good of the Order.

## VIII. EXECUTIVE SESSION

### A. Performance Evaluation – CAE Goals Report [Pursuant to Government Code Section 54957(b)(1)]

Title: Chief Audit Executive

The Board met in Executive Session with staff with regard to the Chief Audit Executive's performance evaluation and goals report. There is nothing to report out.

## IX. ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 10:54 a.m.