

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., MONDAY, MARCH 18, 2024

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

COMMITTEE TRUSTEES

PRESENT: Debbie Martin, Chair

 Wayne Moore, Vice Chair

 Vivian H. Gray, Secretary (Joined the meeting at 9:14 a.m.)

 Nancy M. Durazo, BOR Trustee

 Jason E. Green, BOI Trustee

 Herman B. Santos, BOI Trustee

 Keith Knox, Ex-Officio (Left at 11:00 a.m.)

OTHER TRUSTEES

Nicole Mi, Board of Investments

STAFF, ADVISORS AND PARTICIPANTS

Santos H. Kreimann, Chief Executive Officer

Luis A. Lugo, Deputy Chief Executive Officer

Laura Guglielmo, Assistant Executive Officer

JJ Popowich, Assistant Executive Officer

STAFF, ADVISORS, PARTICIPANTS (Continued)

Steven P. Rice, Chief Counsel

Jonathan Grabel, Chief Investment Officer

Ted Granger, Chief Financial Officer

Carly Ntoya, Human Resources Director

Kathy Delino, Chief Information Technology Officer

Chaitanya Errande, Information Security Officer

Summy Voong, Information Technology Manager

Richard P. Bendall, Chief Audit Executive

Leisha E. Collins, Principal Internal Auditor

Nathan K. Amick, 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 Acting Vice Chair Knox at 9:00 a.m. in the Board Room of Gateway Plaza.

II. PLEDGE OF ALLEGIANCE

Trustee Santos led the Trustees and staff in reciting the Pledge of Allegiance.

III. ELECTIONS OF OFFICERS (Election of Chair, Vice Chair, and Secretary)

A. Chair of the Audit Committee

III. ELECTIONS OF OFFICERS (Election of Chair, Vice Chair, and Secretary)
(Continued)

Trustee Debbie Martin was nominated to the position of Chair of the Audit Committee by Trustee Santos. Hearing no other nominations, the nominations were closed. Trustee Knox declared Ms. Martin as Chair of the Audit Committee for 2024.

B. Vice Chair of the Audit Committee

Trustee Moore was nominated to the position of Vice Chair of the Audit Committee by Trustee Santos. Hearing no other nominations, the nominations were closed. Trustee Knox declared Trustee Moore as Vice Chair of the Audit Committee for 2024.

C. Secretary of the Audit Committee

Trustee Gray was nominated to the position of Secretary of the Audit Committee by Trustee Santos. Hearing no other nominations, the nominations were closed. Trustee Knox declared Trustee Gray as Secretary of the Audit Committee for 2024.

IV. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE
UNDER AB 2449

- A. Just Cause
- B. Action on Emergency Circumstance Requests
- C. Statement of Persons Present at Teleconference Locations

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

V. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of December 14, 2023

Trustee Knox made a motion, Trustee Santos seconded, to approve the minutes of the regular meeting of December 14, 2023. The motion passed by the following roll call vote:

Yes: Durazo, Green, Knox, Martin, Moore, Santos,

VI. PUBLIC COMMENT

There were no requests from the public to speak.

VII. NON-CONSENT ITEMS

A. **Proposed 2024 Audit Committee Meeting Dates**

Recommendation as submitted by Richard P. Bendall, Chief Audit Executive: That the Committee review and approve the proposed 2024 Audit Committee meeting dates.
(Memo dated February 23, 2024)

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

Trustee Santos made a motion, Trustee Moore seconded, to approve the meeting dates for 2024. The motion passed by the following roll call vote:

Yes: Durazo, Green, Knox, Martin, Moore, Santos

No: None

B. **Internal Audit Proposed Fiscal Year 2024 – 2025 Budget Request**

(Trustee Vivian Gray arrived at 9:14 a.m.)

Recommendation as submitted by Richard P. Bendall, Chief Audit Executive: That the Committee approve the Internal Audit Proposed Fiscal Year 2024 - 2025 Budget Request, and upon approval, direct staff to include it in LACERA's Administrative Budget for Board approval. (Memo dated March 6, 2024)

VII. NON-CONSENT ITEMS (Continued)

Messrs. Bendall, Kreimann, Jensen and Ms. Guglielmo were present to answer questions from the Committee.

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

Yes: Durazo, Gray, Green, Knox, Martin, Moore, Santos

No: None

C. **Bank of America Wire Transfer Audit**

Recommendation as submitted by Nathan K. Amick, Senior Internal Auditor: That the Committee review and discuss the following engagement report and 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 March 5, 2024)

Mr. Amick provided a brief presentation and answered questions from the Committee.

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

Yes: Durazo, Gray, Green, Knox, Martin, Moore, Santos

No: None

VII. NON-CONSENT ITEMS (Continued)

D. **Procurement of Goods Audit**

Recommendation as submitted by Gabriel Tafoya, Senior Internal Auditor: That the Committee review and discuss the engagement report and 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 March 6, 2024)

Mr. Tafoya provided a brief presentation. Messrs. Bendall, Kreimann and Ms. Contreras were present to answer questions from the Committee.

Trustee Moore made a motion, Trustee Gray seconded, to accept and file the report. This item was received and filed. The motion passed by the following roll call vote:

Yes: Durazo, Gray, Green, Knox, Martin, Moore, Santos,

No: None

VIII. REPORTS

A. **2024 Audit Committee Orientation**

Christina Logan, Principal Internal Auditor

Nathan K. Amick, Senior Internal Auditor

(Presentation) (Memo dated March 5, 2024)

Messrs. Amick and Bendall provided a brief presentation and addressed questions from the Committee. This item was received and filed.

VIII. REPORTS (Continued)

B. Annual Audit Planning for Fiscal Year 2024 - 2025

Richard P. Bendall, Chief Audit Executive
(Presentation) (Memo dated March 6, 2024)

Mr. Bendall provided a brief presentation and was present to answer questions from the Committee. This item was received and filed.

C. Fiscal Year Ending 2024 Audit Plan Status Report

Richard P. Bendall, Chief Audit Executive
Nathan K. Amick, Senior Internal Auditor
(Presentation) (Memo dated March 5, 2024)

This item was received and filed.

D. Management's Compliance Report

Steven P. Rice, Chief Counsel
Luis A. Lugo, Deputy Chief Executive Officer
(For Information Only) (Memo dated March 4, 2024)

This item was received and filed.

E. Recommendation Follow-Up

Nathan K. Amick, Senior Internal Auditor
(For Information Only) (Memo dated March 5, 2024)

This item was received and filed.

F. Recommendation Follow-Up Sensitive Information Technology Areas

Gabriel Tafoya, Senior Internal Auditor
(For Information Only) (Memo dated March 6, 2024)

This item was received and filed.

G. Ethics Hotline Status Update

Leisha E. Collins, Principal Internal Auditor
(For Information Only) (Memo dated March 5, 2024)

This item was received and filed.

VIII. REPORTS (Continued)

H. **Internal Audit Staffing Activity Report**

Richard P. Bendall, Chief Audit Executive
(For Information Only) (Memo dated March 5, 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)

Mr. Bendall stated that there was nothing to report.

IX. CONSULTANT COMMENTS

Larry Jensen, Audit Committee Consultant
(Verbal Presentation)

Mr. Jensen provided comments to the Committee.

X. ITEMS FOR STAFF REVIEW

There were no items to report.

XI. ITEMS FOR FUTURE AGENDAS

There were no items to report.

XII. GOOD OF THE ORDER

(For Information Purposes Only)

The Committee thanked staff for their work.

XIII. EXECUTIVE SESSION

A. Potential Threats to Public Services or Facilities (Pursuant to Subdivision (a) of California Government Code Section 54957)

Consultation with: LACERA Chief Executive Officer Santos H. Kreimann, Deputy Chief Executive Officer Luis Lugo, Chief, Executive Audit Executive, Richard P. Bendall, Information Technology Kathy Delino, Information Security Officer Chaitanya Errande, and Other LACERA Staff.

There was nothing to report.

XIV. ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 11:05 a.m.