

APPROVED

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 91101

9:00 A.M., THURSDAY, AUGUST 26, 2021

This meeting was conducted by teleconference pursuant to the Governor's Executive Order N-29-20.

PRESENT: Joseph Kelly, Chair

Shawn R. Kehoe, Vice Chair

Vivian H. Gray, Secretary (Joined the meeting at 9:03 a.m.)

Alan J. Bernstein

Keith Knox

Gina V. Sanchez (Joined the meeting at 9:07 a.m. and left the meeting at 10:34 a.m.)

ABSENT: Ronald A. Okum

MEMBERS AT LARGE

Patrick L. Jones

STAFF, ADVISORS, PARTICIPANTS

Santos H. Kreimann, Chief Executive Officer

Luis A. Lugo, Deputy Chief Executive Officer

JJ Popowich, Assistant Executive Officer

Steve Rice, Chief Legal Counsel

STAFF, ADVISORS, PARTICIPANTS (Continued)

Richard Bendall, Chief Audit Executive

Leisha Collins, Principal Internal Auditor

Christina Logan, Principal Internal Auditor

Kathryn Ton, Senior Internal Auditor

George Lunde, Senior Internal Auditor

Nathan Amick, Internal Auditor

Bernie Buenaflor, Quality Assurance Division Manager

Allan Cochran, Member Services Division Manager

Louis Gittens, Benefits Section Head

Kevin Hawkins, Benefits Retirement Specialist

Jenni Kregel, Buchalter ACP, Tax Counsel

Robert H. Griffin, Audit Committee Consultant

I. CALL TO ORDER

The meeting was called to order virtually at 9:00 a.m. by Chair Kelly.

II. APPROVAL OF THE MINUTES

A. Approval of the Minutes of the Regular Audit Committee Meeting of

June 24, 2021.

Mr. Bernstein made a motion, Mr. Knox seconded, to approve the minutes of the Regular Audit Committee meeting of June 24, 2021. The motion passed (roll call) with Messrs. Bernstein, Kehoe, Knox, Kelly voting yes. Ms. Gray and Ms. Sanchez were absent from the vote.

III. PUBLIC COMMENT

There were no requests from the public to speak.

IV. NON-CONSENT ITEMS (Ms. Gray joined the meeting at 9:03) (Ms. Sanchez joined the meeting at 9:07 a.m.)

- A. Recommendation as submitted by Richard P. Bendall, Chief Audit Executive, and Christina Logan, Principal Internal Auditor: That the Audit Committee approve the Revised Internal Audit Charter. (Memo dated August 17, 2021)

Mr. Bendall and Ms. Logan were present and answered questions from the Committee.

Mr. Knox made a motion, Mr. Kehoe seconded, to approve staff's recommendation to approve the Revised Internal Audit Charter. The motion passed (roll call) with Messrs. Bernstein, Kehoe, Knox, Kelly and Ms. Gray voting yes. Ms. Sanchez was absent from the vote.

V. REPORTS

- A. Internal Audit Annual Performance Report FYE June 30, 2021
Richard P. Bendall, Chief Audit Executive
Leisha Collins, Principal Internal Auditor
Christina Logan, Principal Internal Auditor
(Presentation) (Memo dated August 18, 2021)

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

- B. FYE 2022 Internal Audit Goals
Richard P. Bendall, Chief Audit Executive
Leisha E. Collins, Principal Internal Auditor
(Memo dated August 16, 2021)

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

V. REPORTS (Continued)

C. Status of Other External Audits Not Conducted at the Discretion of Internal Audit

Richard P. Bendall, Chief Audit Executive
(Verbal Presentation)

Mr. Bendall provided a verbal update and answered questions from the Committee.

This item was received and filed.

D. Internal Audit Staffing Activity Report

Richard P. Bendall, Chief Audit Executive
(Verbal Presentation)

Mr. Bendall provided a verbal update and answered questions from the Committee.

This item was received and filed.

E. Ethics Hotline Overview

Richard P. Bendall, Chief Audit Executive
Kathryn Ton, Senior Internal Auditor
(For Information Only) (Memo dated August 13, 2021)

This item was received and filed.

F. FYE 2022 Audit Plan Status Report

Richard P. Bendall, Chief Audit Executive
Leisha Collins, Principal Internal Auditor
(For Information Only) (Memo dated August 13, 2021)

This item was received and filed.

G. 2021 Annual Audit Committee Calendar

Richard P. Bendall, Chief Audit Executive
Leisha E. Collins, Principal Internal Auditor
(For Information Only) (Memo dated July 30, 2021)

This item was received and filed.

VI. CONSULTANT COMMENTS

Robert H. Griffin, Audit Committee Consultant
(Verbal Presentation)

Mr. Griffin provided brief comments to the Committee.

VII. REPORT ON STAFF ACTION ITEMS

There was nothing to report.

VIII. GOOD OF THE ORDER

The Committee thanked staff for their work.

IX. EXECUTIVE SESSION

A. Conference with Legal Counsel – Anticipated Litigation

Significant Exposure to Litigation (Pursuant to Paragraph (2) of Subdivision (d) of California Government Code Section 54956.9) and Initiation of Litigation (Pursuant to Paragraph (4) of Subdivision (d) of California Government Code Section 54956.9)

No. Of Cases: 1

The Committee met in Executive Session pursuant to Government Code Section 54956.9 (d). There was nothing to report.

B. Performance Evaluation – Chief Audit Executive Goals Report

(Pursuant to Government Code Section 54957(b)(1)]

(FOR AUDIT COMMITTEE ONLY PER COUNTY SALARY ORDINANCE 6.127.040.S.1)

Title: Chief Audit Executive

The Committee met in Executive Session with staff regarding the Chief Audit Executive's performance evaluation and goals report. There was nothing to report.

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X. ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 10:53 a.m.

(Supplemental Information (Information provided to the Trustees prior to the meeting))

1. Internal Audit Annual Performance Report FYE June 30, 2021
(Provided revisions to slide 11 of the presentation)