

**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, DECEMBER 2, 2021

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

PRESENT: Joseph Kelly, Chair  
Vivian H. Gray, Secretary  
Alan J. Bernstein  
Keith Knox  
Roland A. Okum  
Gina V. Sanchez

ABSENT: Shawn R. Kehoe

MEMBERS AT LARGE

Patrick L. Jones  
Herman Santos (Joined the meeting at 9:07 a.m.)

STAFF, ADVISORS, PARTICIPANTS

Santos H. Kreimann, Chief Executive Officer  
Luis A. Lugo, Deputy Chief Executive Officer  
Laura Guglielmo, Assistant Executive Officer

STAFF, ADVISORS, PARTICIPANTS (Continued)

JJ Popowich, Assistant Executive Officer

Steven P. Rice, Chief Counsel

Richard Bendall, Chief Audit Executive

Leisha Collins, Principal Internal Auditor

Christina Logan, Principal Internal Auditor

Kathryn Ton, Senior Internal Auditor

Kristina Sun, Senior Internal Auditor

George Lunde, Senior Internal Auditor

Nathan Amick, Senior Internal Auditor

Gabriel Tafoya, Senior Internal Auditor

Ted Granger, Interim Chief Financial Officer

Carlos Barrios, Benefits Division Manager

Bernie Buenaflor, Quality Assurance Division Manager

Jean Young, CPA Partner, Plante & Moran

Amanda Cronk, CPA Senior Manager, Plante & Moran

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 and the Regular Audit Committee Meeting of October 21, 2021

## II. APPROVAL OF THE MINUTES (Continued)

Ms. Sanchez made a motion, Mr. Bernstein seconded, to approve the minutes of the Regular Audit Committee meeting of June 24, 2021 and the Regular Audit Committee meeting of October 21, 2021. The motion passed (roll call) with Messrs. Bernstein, Knox, Kelly, Ms. Gray, and Ms. Sanchez voting yes.

## III. PUBLIC COMMENT

There were no requests from the public to speak.

## IV. CONSENT ITEMS

- A. Recommendation as submitted by Steven P. Rice, Chief Counsel: That, under AB 361 and Government Code Section 54953(e)(3) of the Brown Act, the Audit Committee consider whether to find that the Governor's COVID-19 State of Emergency continues to directly impact the ability of the Committee to meet safely in person and that the County of Los Angeles and other agencies still recommend social distancing such that the Committee shall hold teleconference meetings for the next 30 days, and if so, direct staff to comply with the agenda and public comment requirements of the statute.  
(Memo dated November 15, 2021)

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

Ms. Gray made a motion, Mr. Kelly seconded, to approve staff's recommendation and to add this to the Consent agenda in future meetings. The motion passed (roll call) with Messrs. Bernstein, Kelly, Knox, Okum, Ms. Gray, and Ms. Sanchez voting yes.

V. NON-CONSENT ITEMS (Trustee Santos joined the meeting at 9:07 a.m.)

A. Recommendation as submitted by Richard P. Bendall, Chief Audit Executive, and Gabriel Tafoya, Senior Internal Auditor: That the Committee, in accordance with your current Audit Committee Charter, staff recommends that the Audit Committee review and discuss the Review of Chief Executive Officer's Credit Card Expenditures Audit to 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 November 17, 2021)

Messrs. Bendall and Tafoya were present and answered questions from the Committee.

Ms. Sanchez made a motion, Mr. Knox seconded, to accept and file the report. The motion passed (roll call) with Messrs. Bernstein, Kelly, Knox, Okum, Ms. Gray, and Ms. Sanchez voting yes.

B. Recommendation as submitted by Joseph Kelly, Audit Committee Chair and Richard P. Bendall, Chief Audit Executive: The Audit Committee provide suggested revisions and/or approve the issuance of the Audit Committee Annual Report to the Boards and direct staff to issue the report to the boards at their respective January 2022 meetings. (Memo dated November 18, 2021)

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

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

V. NON-CONSENT ITEMS (Continued)

- C. Recommendation as submitted by Richard P. Bendall, Chief Audit Executive: That the Audit Committee approve the engagement of IIA Quality Services, LLC to perform an External Quality Assessment of the Internal Audit Division (Memo dated November 12, 2021)

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

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

VI. REPORTS

A. Plante Moran's Audit Results

- Presentation of the Results of the Financial Audit by Michelle Watterworth, Partner, Jean Young, Partner, and Amanda Cronk, Senior Manager
- LACERA's 2021 Audited Financial Statements and Required Communications to those Charged with Governance for FYE June 30, 2021
- GASB 68 Disclosure Report, Schedule of Employer Allocations and Schedule of Pension Amounts by Employer for FYE June 30, 2020
- GASB 75 Disclosure Report, Statement of Changes in Fiduciary Net Position by Employer for FYE June 30, 2020 (Memo dated November 8, 2021)

Jean Young and Amanda Cronk from Plante Moran presented a brief presentation and answered questions from the Committee. This item was received and filed.

- B. Management's Response to Plante Moran's Comments to Management  
Santos H. Kreimann, Chief Executive Officer  
Richard P. Bendall, Chief Auditor Executive  
(Memo dated November 12, 2021)

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

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was received and filed.

## VI. REPORTS (Continued)

### C. FYE 2022 Audit Plan Status Report

Richard P. Bendall, Chief Audit Executive

Leisha E. Collins, Principal Internal Auditor

(Memo dated November 12, 2021)

Ms. Collins presented a brief presentation and answered questions from the

Committee. This item was received and filed.

### D. 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.

### E. 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.

### F. Ethics Hotline Status Report

Richard P. Bendall, Chief Audit Executive

Kathryn Ton, Senior Internal Auditor

(For Information Only) (Memo dated November 12, 2021)

This item was received and filed.

## VII. CONSULTANT COMMENTS

Robert H. Griffin, Audit Committee Consultant

(Verbal Presentation)

Mr. Griffin provided comments to the Committee.

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#### VIII. REPORT ON STAFF ACTION ITEMS

There were no items to report.

#### IX. GOOD OF THE ORDER

The Committee thanked staff for their work.

#### X. ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 9:50 a.m.