

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., THURSDAY, JUNE 1, 2023

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 e(f).

COMMITTEE TRUSTEES

PRESENT: Onyx Jones, Chair
 Keith Knox, Vice Chair
 Patrick L. Jones, Secretary
 Shawn R. Kehoe
 Antonio Sanchez (Joined the meeting at 9:13 a.m.)
 Gina V. Sanchez

ABSENT: Jason E. Green

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

Richard P. Bendall, Chief Audit Executive

Leisha E. Collins, Principal Internal Auditor

Christina Logan, Principal Internal Auditor

Nathan K. Amick, Senior Internal Auditor

George Lunde, Senior Internal Auditor

Kristina Sun, Senior Internal Auditor

Kimberly D. Hines, Senior Internal Auditor

Gabriel Tafoya, Senior Internal Auditor

Frank Boyd, Senior Staff Counsel

Kathy Delino, Interim Chief Information Technology Officer

Plante & Moran, PLLC

Jean Young, Engagement Partner

Amanda Cronk, Audit Senior Manager

Robert H. Griffin, Audit Committee Consultant

I. CALL TO ORDER

This meeting was called to order by Chair Onyx Jones at 9:02 a.m. in the Board Room of Gateway Plaza.

II. PLEDGE OF ALLEGIANCE

Ms. Jones led the Trustees and staff in reciting the Pledge of Allegiance.

III. 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).

IV. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of March 2, 2023

Trustee G. Sanchez made a motion, Trustee Kehoe seconded, to approve the minutes of the regular meeting of March 2, 2023. The motion passed by the following roll call vote:

Yes: P. Jones, Kehoe, Knox, G. Sanchez, O. Jones

Absent: J. Green, A. Sanchez

V. PUBLIC COMMENT

There were no requests from the public to speak.

VI. NON-CONSENT ITEMS

(Non-Consent items were held following the discussion of Report Item VII. A.)

A. **Fiscal Year Ending June 30, 2024 Audit Plan**

Recommendation as submitted by Richard P. Bendall, Chief Audit Executive: That the Committee approve the proposed Fiscal Year Ending June 30, 2024 Audit Plan. (Memo dated May 16, 2023)

Mr. Bendall, Mr. Kreimann and Ms. Logan were present to answer questions from the Committee.

VI. NON-CONSENT ITEMS (Continued)

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

Yes: P. Jones, Knox, A. Sanchez, G. Sanchez, O. Jones

Absent: J. Green, S. Kehoe

B. **Review and Selection of the System and Organization Controls (SOC) Auditor – Other Post-Employment Benefits Program**

Recommendation as submitted by Christina Logan, Principal Internal Auditor and Kimberly D. Hines, Senior Internal Auditor: That the Committee approve the engagement of Moss Adams LLP to perform a System and Organization Controls (SOC) 1 Type 2 audit of LACERA's 2024 – 2028 with an option to extend the contract for up to two one-year terms. (Memo dated May 10, 2023)

(Trustee A. Sanchez joined the meeting at 9:13 a.m.)

Ms. Logan provided a brief presentation. Mr. Bendall was present to answer questions from the Committee.

Trustee G. Sanchez made a motion, Trustee P. Jones seconded, to approve staff's recommendation. The motion passed by the following roll call vote:

Yes: P. Jones, Kehoe, Knox, A. Sanchez, G. Sanchez, O. Jones

Absent: J. Green

C. **Los Angeles County's Compliance with Requirements for Rehired Retirees – Fiscal Year Ended June 30, 2022**

Recommendation as submitted by George Lunde, Senior Internal Auditor: That the Committee review and discuss the Los Angeles County's Compliance with Requirements for Rehired Retirees – Fiscal Year Ended June 30, 2022 and take the following action(s):

VI. NON-CONSENT ITEMS (Continued)

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 May 12, 2023)

Messrs. Lunde and Bendall provided a presentation to the Committee and were present to address questions. After discussion, the Committee instructed staff to bring the item back to the Committee at the next meeting to include additional information.

D. Audit of Disability Retirement Services' Business Processes

Recommendation as submitted by Kristina Sun, Senior Internal Auditor: That the Committee review and discuss the Audit of Disability Retirement Services' Business Processes 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 May 10, 2023)

Ms. Sun provided a brief presentation. Mr. Boyd was present to answer questions from the Committee.

Trustee P. Jones made a motion, Trustee A. Sanchez seconded, to approve staff's recommendation. The motion passed by the following roll call vote:

Yes: P. Jones, Kehoe, Knox, A. Sanchez, G. Sanchez, O. Jones

Absent: J. Green

VI. NON-CONSENT ITEMS (Continued)

E. **Third-Party Data Security Review**

Recommendation as submitted by George Lunde, Senior Internal Auditor: That the Committee review and discuss the Third-Party Data Security Review 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 May 16, 2023)

Mr. Lunde provided a brief presentation. Mr. Bendall and Ms. Delino were present to answer questions from the Committee.

Trustee Kehoe made a motion, Trustee G. Sanchez seconded, to accept and file the report and forward the report, as an agenda item, to the Operation Oversight Committee (OOC). The motion passed by the following roll call vote:

Yes: P. Jones, Kehoe, Knox, A. Sanchez, G. Sanchez, O. Jones

Absent: J. Green

VII. REPORTS

A. **FYE 2023 Audit Plan Status Report**

Nathan K. Amick, Senior Internal Auditor
(Presentation) (Memo dated May 15, 2023)

(This Item was held after item V.) Mr. Amick provided a brief presentation. Mr. Bendall was present to answer questions from the Committee. This item was received and filed.

VII. REPORTS (Continued)

B. **Los Angeles County Employee Retirement Association Audit Committee Pre-Audit Communication**

Nathan K. Amick, Senior Internal Auditor
(Presentation) (Memo dated May 12, 2023)

Ms. Young and Ms. Cronk of Plante Moran provided a brief presentation and addressed questions from the Committee. This item was received and filed.

C. **Recommendation Follow-Up**

Kristina Sun, Senior Internal Auditor
(Memo dated May 16, 2023)

Ms. Sun provided a brief presentation. Messrs. Kreimann and Bendall were present to answer questions from the Committee. This item was received and filed.

D. **Recommendation Follow-Up Sensitive Information Technology Areas**

Gabriel Tafoya, Senior Internal Auditor
(Memo dated May 11, 2023)

Mr. Tafoya was present to answer questions from the Committee. This item was received and filed.

E. **Status of Other External Audits not conducted at the Discretion of Internal Audit**

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

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

F. **Internal Audit Staffing Activity Report**

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

VII. REPORTS (Continued)

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

G. **Ethics Hotline Status Report**

Richard P. Bendall, Senior Internal Auditor

(For Information Purposes Only) (Memo dated May 19, 2023)

Messrs. Bendall, Rice, Kreimann and Griffin were present to answer questions from the Committee. This item was received and filed.

VIII. CONSULTANT COMMENTS

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

IX. ITEMS FOR STAFF REVIEW

Trustee G. Sanchez requested an educational piece on the Ethics Hotline, as well as the Ethics policies and procedures. Chair O. Jones requested Third-Party Data Security Review to be forwarded to the Operations Oversight Committee (OOC).

X. ITEMS FOR FUTURE AGENDAS

There was nothing to report.

XI. GOOD OF THE ORDER
(For Information Purposes Only)

The Committee thanked staff for their work.

XII. ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 11:39 a.m.