

APPROVED

MINUTES OF THE REGULAR MEETING OF THE AUDIT, COMPLIANCE, RISK,
AND ETHICS 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, MARCH 13, 2025

This meeting was conducted by the ACRE Committee and Board of Retirement and Board of Investments both in person and by emergency teleconference under California Government Code Section 54953(e) based on the Governor's Proclamation of a State of Emergency due to the Los Angeles County fires.

COMMITTEE TRUSTEES: (Trustees joined via teleconference under Section 54953(e))

PRESENT: Debbie Martin (BOI), Chair
 Nicole Mi (BOI), Vice Chair
 Alma K. Martinez (BOI), Secretary (Joined the meeting at
 9:09 a.m.)
 Nancy Durazo (BOR), Trustee
 Jason Green (BOR), Trustee
 Wayne Moore (BOR), Trustee

ABSENT: Elizabeth Ginsberg, Ex-Officio

OTHER TRUSTEES:

 Aleen Langton (BOR), Trustee (Joined meeting at 9:45 a.m.)
 Patrick Jones (BOI), Trustee (Joined meeting at 10:00 a.m.)

STAFF, ADVISORS AND PARTICIPANTS:

Luis A. Lugo, Deputy Chief Executive Officer

Laura Guglielmo, Assistant Executive Officer

JJ Popowich, Assistant Executive Officer

Jonathan Grabel, Chief Investment Officer

Ted Granger, Chief Financial Officer

Steven P. Rice, Chief Counsel

Allison Barrett, Senior Staff Counsel

Carly Ntoya, Ph.D., Human Resources Director

Richard P. Bendall, Chief Audit Executive

Leisha E. Collins, Principal Internal Auditor

Christina Logan, Principal Internal Auditor

Nathan K. Amick, Senior Internal Auditor

Kristina Sun, Senior Internal Auditor

Gabriel Tafoya, Senior Internal Auditor

Christian Velasco, Senior Internal Auditor

Delfino Aguilar, Senior Internal Auditor

Larry Jensen, ACRE Committee Consultant

Amanda Cronk, Plante Moran

Kristin Hunt, Plante Moran

Brent Banister, Cavanaugh Macdonald Consulting

I. CALL TO ORDER

This meeting was called to order by Trustee Martin at 9:00 a.m. in the Board Room of Gateway Plaza.

II. PLEDGE OF ALLEGIANCE

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

III. Approval Of Governor's Proclamation of State of Emergency Due to The Los Angeles County Fires.

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

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

Yes: Durazo, Green, Martin, Mi, Moore

Absent: Ginsberg, Martinez

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

A. Chair of the Audit, Compliance, Risk, and Ethics Committee

Trustee Martin was nominated to the position of Chair of the Audit, Compliance, Risk, and Ethics Committee by Trustee Mi. Hearing no other nominations, the nominations were closed. Trustee Martin declared Trustee Martin as Chair of the Audit, Compliance, Risk and Ethics Committee for 2025.

B. Vice Chair of the Audit, Compliance, Risk, and Ethics Committee

Trustee Mi was nominated to the position of Vice Chair of the Audit, Compliance, Risk, and Ethics Committee by Trustee Martin. Hearing no other nominations, the nominations were closed. Trustee Martin declared Trustee Mi as Vice Chair of the Audit, Compliance, Risk and Ethics Committee for 2025.

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

C. Secretary of the Audit, Compliance, Risk, and Ethics Committee

Trustee Martinez was nominated to the position of Secretary of the Audit, Compliance, Risk, and Ethics Committee by Trustee Green. Hearing no other nominations, the nominations were closed. Trustee Martin declared Trustee Martinez as Secretary of the Audit, Compliance, Risk and Ethics Committee for 2025.

V. APPROVAL OF THE MINUTES

A. Approval of the Minutes of the Regular Meeting of December 12, 2024

Trustee Moore made a motion, Trustee Green seconded, to approve the Minutes of the Regular meeting of December 12, 2024. The motion passed by the following roll call vote:

Yes: Durazo, Green, Martin, Mi, Moore

Absent: Ginsberg, Martinez

VI. PUBLIC COMMENT

There were no requests from the public to speak.

VII. NON-CONSENT ITEMS

A. **Proposed 2025 ACRE Committee Meeting Dates**

Recommendation as submitted by Christina Logan, Principal Internal Auditor: That the Committee review and approve the proposed 2025 ACRE Committee meeting dates. (Memo dated February 26, 2025)

(Trustee Martinez joined the meeting at 9:09 a.m.)

Ms. Logan was present to answered questions from the Committee.

VII. NON-CONSENT ITEMS (Continued)

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

Yes: Durazo, Green, Martin, Martinez, Mi, Moore

Absent: Ginsberg

- B. **Internal Audit Proposed Fiscal Year 2025–2026 Budget Request**
Recommendation as submitted by Richard P. Bendall, Chief Audit Executive: That the Committee approve the Internal Audit Proposed Fiscal Year 2025-2026 Budget Request, and upon approval, direct staff to include it in LACERA's Administrative Budget for Board approval. (Memo dated February 27, 2025)

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

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

Yes: Durazo, Green, Martin, Martinez, Mi, Moore

Absent: Ginsberg

- C. **Ethics and Compliance Program Fiscal Year 2025-2026 Budget Request**
Recommendation as submitted by Steven P. Rice, Chief Counsel: The Committee approve the Proposed Ethics and Compliance Program Fiscal Year 2025-2026 Budget Request, and upon approval, direct staff to include it in LACERA's Administrative Budget for approval by the Board of Retirement and Board of Investments. (Presentation) (Memo dated February 25, 2025)

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

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

VII. NON-CONSENT ITEMS (Continued)

Yes: Durazo, Green, Martin, Martinez, Mi, Moore

Absent: Ginsberg

D. Deputy, Chief Ethics and Compliance Officer, LACERA Proposed Classification and Compensation

1. Approve establishment of one (1) new non-represented classification and salary range applicable only to LACERA and two (2) ordinance / budgeted designated positions, and refer the classification and salary to the Joint Organizational Governance Committee (JOGC) for review and recommendation to the Board of Retirement and Board of Investments:

New Classification Title

Salary Schedule

Deputy, Chief Ethics and Compliance Officer, LACERA

118J

2. Recommend to the JOGC and joint Boards that they direct staff, upon approval by the JOGC and the joint Boards, to submit to the Board of Supervisors the required ordinance language to implement the new LACERA classification and pay range by amending the Los Angeles County Salary Code Sections 6.28.050, 6.127.010, and 6.127.030.

(Memo dated February 20, 2025)

(Trustee Green left the meeting at 9:42 a.m.)

Dr. Ntoya, Ms. Barrett, and Mr. Lugo were present to answer questions from the Committee.

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

Yes: Durazo, Martin, Martinez, Mi, Moore

Absent: Ginsberg, Green

VIII. REPORTS

A. **ACRE Orientation Introduction**

Richard P. Bendall, Chief Audit Executive
(Presentation) (Memo dated February 25, 2025)

(Trustee Green joined the meeting at 10:10 a.m.)

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

This item was received and filed.

B. **ACRE and Internal Audit Roles, Responsibilities, and Processes**

Leisha E. Collins, Principal Internal Auditor
(Presentation) (Memo dated February 27, 2025)

Ms. Collins provided a brief presentation and answered questions from the Committee.

This item was received and filed.

C. **Ethics and Compliance – ACRE Roles and Responsibilities**

Allison Barrett, Senior Staff Counsel
(Presentation) (Memo dated February 25, 2025)

Ms. Barrett provided a brief presentation and answered questions from the Committee.

This item was received and filed.

D. **The Role of Culture and Values in the Work of the ACRE Committee**

Steven P. Rice, Chief Counsel
(Presentation) (Memo dated February 25, 2025)

Mr. Rice provided a brief presentation. Ms. Ntoya, Ms. Guglielmo, and Messrs. Lugo, Rice and Bendall answered questions from the Committee.

This item was received and filed.

VIII. REPORTS (Continued)

E. **LACERA Risk Management and Internal Audit Risk Assessment**

Richard P. Bendall, Chief Audit Executive
(Presentation) (Memo dated February 25, 2025)

This item will be agendized at the next ACRE meeting.

F. **Overview of External Financial Audit and Reports and Overview of Actuarial Audit**

Richard P. Bendall, Chief Audit Executive
(Presentation) (Memo dated February 24, 2025)

Ms. Hunt, Ms. Cronk and Mr. Banister provided a brief presentation and answered questions from the Committee.

This item was received and filed.

IX. CONSULTANT COMMENTS

Larry Jensen, Audit Committee Consultant
(Verbal Presentation)

There was nothing to report.

X. ITEMS FOR STAFF REVIEW

There was nothing to report.

XI. ITEMS FOR FUTURE AGENDAS

Trustee Martin requested that a general summary be provided to the committee on employee exit interviews.

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

There was nothing to report.

XIII. ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 12:30 p.m.