APPROVED

MINUTES OF THE REGULAR MEETING OF THE AUDIT, COMPLIANCE, RISK,

AND ETHICS (ACRE) 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., WEDNESDAY, JUNE 24, 2026

This meeting was conducted by the Audit, Compliance, Risk, and Ethics (ACRE) Committee and Board of Retirement and Board of Investments both in person and by teleconference under California Government Code Section 54953.8.3.

COMMITTEE TRUSTEES:

PRESENT: Debbie Martin (BOI), Chair

Nicole Mi (BOI), Vice Chair (Teleconference under Section 54953(b))

Aleen Langton (BOR), Secretary

Bobbie Fesler (BOR), Trustee

Elizabeth Ginsberg, Ex-Officio

ABSENT: Trevor Fay (BOI), Trustee

Shawn R. Kehoe (BOR), Trustee

STAFF, ADVISORS AND PARTICIPANTS:

Luis A. Lugo, Chief Executive Officer

Jessica Baxter, Assistant Executive Officer

JJ Popowich, Assistant Executive Officer

Jonathan Grabel, Chief Investment Officer

STAFF, ADVISORS AND PARTICIPANTS: (Continued)

Steven P. Rice, Chief Counsel

Allison Barrett, Senior Staff Counsel

Carly Ntoya, Director of Human Resources

Leisha E. Collins, Chief Audit Executive

Delfino Aguilar, Senior Internal Auditor

Nathan K. Amick, Senior Internal Auditor

Kristina Sun, Senior Internal Auditor

Gabriel Tafoya, Senior Internal Auditor

Christian Velasco, Senior Internal Auditor

Alex Ochoa, Internal Auditor

Larry Jensen, ACRE Committee Consultant

Brittany Smith, CliftonLarsonAllen, LLP

I. CALL TO ORDER

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

II. PLEDGE OF ALLEGIANCE

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

III. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER SB707

A. Just Cause (Section 54953.8.3)
B. Statement of Persons Present at SB707 Teleconference Locations

III. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER SB707 (Continued)

Trustee Mi requested to participate in the meeting via teleconference for Just Cause, pursuant to Government Code Section 54953.8.3(c)(3) (SB 707). The reason for Just Cause was a need related to medical condition. A physical quorum was present at the noticed meeting location. Trustee Mi confirmed that no individuals 18 years of age or older were present at the teleconference location.

IV. APPROVAL OF THE MINUTES

A. Approval of the Minutes of the Regular Meeting of March 18, 2026

Trustee Langton made a motion, Trustee Ginsberg seconded, to approve the Minutes of the Regular meeting of March 18, 2026. The motion passed by the following roll call vote:

Yes: Fesler, Ginsberg, Langton, Martin, Mi

Absent: Fay, Kehoe

V. PUBLIC COMMENT

There were no requests from the public to speak.

VI. NON-CONSENT ITEMS

A. **Internal Audit External Quality Assessment**
Recommendation as submitted by Leisha E. Collins, Chief Audit Executive and Alex Ochoa, Internal Auditor: Staff recommends the ACRE Committee to:
1) Authorize the issuance of a Request for Proposal (RFP) for an External Quality Assessment (EQA) of the Internal Audit Division.
2) Designate one of its members to serve on the evaluation team for the selection of the consultant to perform the EQA.
(Presentation) (Memo dated May 29, 2026)

Ms. Collins and Mr. Ochoa provided a presentation. Ms. Collins and Messrs. Ochoa and Jensen were present and answered questions from the Committee.

VI. NON-CONSENT ITEMS (Continued)

Trustee Fesler made a motion, Trustee Ginsberg seconded, to approve staff's recommendation to appoint Mr. Jensen, ACRE Consultant, and Trustee Langton to serve on the evaluation team for the selection of a consultant to perform External Quality Assessment (EQA). The motion passed by the following roll call vote:

Yes: Fesler, Ginsberg, Langton, Martin, Mi

Absent: Fay, Kehoe

B. **Public Disclosure Forms Audit**
Recommendation as submitted by Delfino Aguilar, Senior Internal Auditor and Alex Ochoa, Internal Auditor: That the ACRE Committee review and discuss the following engagement report to take the following action(s).

1. Accept and file,
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 the audit findings, and/or
4. Provide further instruction to staff.
(Presentation) (Memo dated May 15, 2026)

Messrs. Aguilar and Ochoa provided a presentation. Messrs. Aguilar, Ochoa, Rice and Grable were present and answered questions from the Committee.

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

Yes: Fesler, Ginsberg, Langton, Martin, Mi

Absent: Fay, Kehoe

VI. NON-CONSENT ITEMS (Continued)

C. **Los Angeles County's Compliance with Requirements for Rehired Retirees - Fiscal Year Ended June 30, 2025**
Recommendation as submitted by Gabriel Tafoya, Senior Internal Auditor: That the ACRE Committee review and discuss the following engagement report to take the following action(s).

1. Accept and file,

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 the audit findings, and/or

4. Provide further instruction to staff.
(Presentation) (Memo dated May 14, 2026)

Mr. Tafoya provided a presentation. Messrs. Tafoya, Rice and Lugo were present and answered questions from the Committee.

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

Yes: Fesler, Ginsberg, Langton, Martin, Mi

Absent: Fay, Kehoe

D. **Strategic Asset Allocation Audit**
Recommendation as submitted by Christina Logan, Principal Internal Auditor and Kristina Sun, Senior Internal Auditor: That the ACRE Committee review and discuss the following engagement report to take the following action(s).

1. Accept and file,

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 the audit findings, and/or

4. Provide further instruction to staff.
(Presentation) (Memo dated June 9, 2026)

VI. NON-CONSENT ITEMS (Continued)

Ms. Sun provided a presentation and was present to answer questions from the Committee.

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

Yes: Fesler, Ginsberg, Langton, Martin, Mi

Absent: Fay, Kehoe

E. **Business Continuity Program Advisory Engagement**
Recommendation as submitted by Christina Logan, Principal Internal Auditor and Christian Velasco, Senior Internal Auditor: That the ACRE Committee review and discuss the following engagement and take the action(s) below.

1. Accept and file,
2. Instruct staff to forward memo to Boards or Committees,
3. Make recommendations to the Boards or Committees regarding actions as may be required based on the engagement, and/or
4. Provide further instruction to staff.
(Presentation) (Memo dated May 31, 2026)

Mr. Velasco provided a presentation and was present to answer questions from the Committee.

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

Yes: Fesler, Ginsberg, Langton, Martin, Mi

Absent: Fay, Kehoe

VI. NON-CONSENT ITEMS (Continued)

F. **Fiscal Year 2025-2026 Internal Controls over Financial Reporting (ICFR) Readiness Assessment**
Recommendation as submitted by Christina Logan, Principal Internal Auditor and Kristina Sun, Senior Internal Auditor: That the ACRE Committee review and discuss the following engagement and take the action(s) below.

1. Accept and file,

2. Instruct staff to forward memo to Boards or Committees,

3. Make recommendations to the Boards or Committees regarding actions as may be required based on the engagement, and/or

4. Provide further instruction to staff.
(Presentation) (Memo dated June 9, 2026)

This item was taken out of order at the request of the Chair.

Ms. Sun provided a presentation and was present to answer questions from the Committee.

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

Yes: Fesler, Ginsberg, Langton, Martin, Mi

Absent: Fay, Kehoe

VII. REPORTS

A. **Building the Fiscal Year (FY) 2027 Audit Plan: Our Risk Assessment and Audit Planning Process**
Leisha E. Collins, Chief Audit Executive
(Presentation) (Memo dated June 15, 2026)

Ms. Collins provided a presentation. Ms. Collins and Mr. Jensen were present to answer questions from the Committee. This item was received and filed.

VII. REPORTS (Continued)

B. **Analysis of Human Resources' Employee Separation Data**
Christina Logan, Principal Internal Auditor
Christian Velasco, Senior Internal Auditor
(Presentation) (Memo dated April 30, 2026)

Mr. Velasco and Ms. Baxter provided a presentation and answered questions from the Committee. This item was received and filed.

C. **Audit Pool Contract Extension Update**
Christina Logan, Principal Internal Auditor
Alex Ochoa, Internal Auditor
(For Information Only) (Memo dated June 9, 2026)

This item was received and filed.

D. **Fiscal Year Ending 2026 Audit Plan Status Report**
Nathan K. Amick, Senior Internal Auditor
(For Information Only) (Presentation) (Memo dated June 18, 2026)

This item was pulled for further discussion.

Messrs. Amick, Jensen and Ms. Collins were present and answered questions from the Committee. This item was received and filed.

E. **Recommendation Follow-Up Report**
Leisha E. Collins, Chief Audit Executive
Delfino Aguilar, Senior Internal Auditor
(For Information Only) (Memo dated June 17, 2026)

This item was pulled for further discussion.

F. **Recommendation Follow-Up for Sensitive Information Technology Areas**
Gabriel Tafoya, Senior Internal Auditor
(For Information Only) (Memo dated May 29, 2026)

This item was received and filed.

VII. REPORTS (Continued)

G. **Ethics Hotline Status Report**
Leisha E. Collins, Chief Audit Executive
(For Information Only) (Memo dated May 30, 2026)

This item was pulled for further discussion.

Mses. Collins, Barrett and Mr. Jensen answered questions from the Committee.

This item was received and filed.

H. **Internal Audit Staffing Activity Report Update**
Leisha E. Collins, Chief Audit Executive
(Verbal Update)

This item was received and filed.

I. **Status of Other External Audits Not Conducted at the Discretion of Internal Audit**
Leisha E. Collins, Chief Audit Executive
(Verbal Update)

Ms. Collins was present to answer questions from the Committee.

VIII. CONSULTANT COMMENTS
Larry Jensen, ACRE Committee Consultant
(Verbal Presentation)

There was nothing to report.

IX. ITEMS FOR STAFF REVIEW

Trustee Langton requested that staff review the audit pool firms for any updates and obtain a brief status update from the external firms whose contracts were extended.

X. ITEMS FOR FUTURE AGENDAS

This item was received and filed.

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

This item was received and filed.

XII. ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 11:24 a.m.