

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM

**BOARD OF RETIREMENT
2223 WELLINGTON AVENUE, SUITE 100
SANTA ANA, CA 92701**

AUDIT COMMITTEE MEETING

March 26, 2019

1:00 p.m.

Members of the Committee

Frank Eley, Chair

Charles Packard, Vice Chair

Jeremy Vallone

Shari Freidenrich

MINUTES

OPEN SESSION

The Chair called the meeting to order at 1:01 p.m.

Attendance was as follows:

Committee Members: Frank Eley, Chair; Charles Packard, Vice Chair; Jeremy Vallone; Shari Freidenrich

Staff: David Kim, Director of Internal Audit; Brenda Shott, Assistant CEO of Internal Operations; Suzanne Jenike, Assistant CEO External Operations; Mark Adviento, Internal Auditor; Jim Doezie, Contracts Administrator; Sonal Sharma, Recording Secretary; Javier Lara, IT Manager

PUBLIC COMMENT

None.

CONSENT AGENDA

C-1 APPROVE AUDIT COMMITTEE MINUTES

Audit Committee Meeting Minutes

February 7, 2019

A **motion** was made by Mr. Packard, **seconded** by Ms. Freidenrich to approve the minutes.

I-1 2018 FINANCIAL STATEMENT AUDIT – ENTRANCE CONFERENCE

Presentation by Linda Hurley and Amy Chiang, Macias Gini & O'Connell

I-2 OPERATIONAL RISK MANAGEMENT PROGRAM UPDATE

Presentation by Brenda Shott, Assistant CEO of Internal Operations, OCERS and David Kim, Director, Internal Audit

A-3 IIA EXTERNAL QUALITY PEER REVIEW REPORT

Presentation by George Shemo, IIA Quality Services (via teleconference)

Recommendation: Receive and file.

IIA External Auditor, George Shemo, noted the rating of Generally Conforms is the highest rating that can be achieved in a Quality Review. Mr. Shemo highlighted the details from the report, including findings and best practice recommendations. Specifically for findings, OCERS Internal Audit to begin formally verifying management's action plans. Mr. Shemo also noted that the audit profession has progressed beyond assurance functions and can provide advisory services. However, in an assurance capacity, Internal Audit is expected to evaluate and improve the effectiveness of management's controls as opposed to acting in the capacity of management's control.

A **motion** was made by Mr. Packard, **seconded** by Ms. Freidenrich to receive and file.

A-2 HOTLINE UPDATE

Presentation by David Kim, Director of Internal Audit

Recommendation: Receive and file.

A **motion** was made by Mr. Packard, **seconded** by Mr. Vallone to receive and file.

I-3 STATUS UPDATE OF 2019 AUDIT PLAN

Written Report

COMMITTEE MEMBER COMMENTS

None.

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS

None.

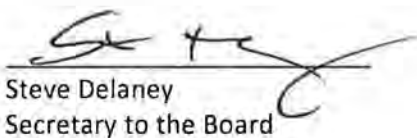
COUNSEL COMMENTS

None.

ADJOURNMENT

The Chair adjourned the meeting at 2:46pm.

Submitted by:


Steve Delaney
Secretary to the Board

Approved by:


Frank Eley
Chair