

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM
BOARD OF RETIREMENT
2223 WELLINGTON AVENUE, SUITE 100
SANTA ANA, CA 92701

AUDIT COMMITTEE MEETING
June 6, 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 1:09 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; Tracy Bowman, Director of Finance; Mark Adviento, Internal Auditor; Sonal Sharma, Recording Secretary; Anthony Beltran, Audio Visual Technician.

PUBLIC COMMENT

None.

CONSENT AGENDA

C-1 APPROVE AUDIT COMMITTEE MINUTES

Audit Committee Meeting Minutes

March 26, 2019

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

ACTION ITEMS

A-2 2018 FINANCIAL STATEMENT AUDIT

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

Recommendations:

1. Approve OCERS' audited financial statements for the year ended December 31, 2018;

2. Direct staff to finalize OCERS' 2018 Comprehensive Annual Financial Report (CAFR);
3. Approve the Governmental Accounting Standards Board (GASB) Statement 67 Actuarial Valuation as of December 31, 2018; and
4. Receive and file Macias, Gini & O'Connell LLP's (MGO) "OCERS' Report to the Audit Committee for the Year Ended December 31, 2018" and its "Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*."

A **motion** was made by Mr. Packard, **seconded** by Ms. Freidenrich to approve staff recommendation.

A-3 GASB 68 VALUATION AND AUDIT REPORT

Presentation by Brenda Shott, Assistant CEO of Internal Operations

Recommendations:

1. Approve OCERS' audited Schedule of Allocated Pension Amounts by Employer as of and for the Year Ended December 31, 2018; and
2. Approve the Governmental Accounting Standards Board (GASB) Statement 68 Actuarial Valuation as of December 31, 2018 for distribution to employers.

A **motion** was made by Mr. Packard, **seconded** by Ms. Freidenrich to approve staff recommendation.

A-4 AUDIT OF EMPLOYER AND EMPLOYEE CONTRIBUTIONS ACCOUNTING

Presentation by David Kim, Director of Internal Audit and Mark Adviento, Internal Auditor

Recommendation: Receive and file.

A **motion** was made by Mr. Packard, **seconded** by Mr. Vallone to approve staff recommendation.

A-5 MANAGEMENT ACTION PLAN VERIFICATION

Presentation by David Kim, Director of Internal Audit

Recommendation: Receive and file.

A **motion** was made by Mr. Packard, **seconded** by Mr. Vallone to approve staff recommendation.

A-6 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 approve staff recommendation.

INFORMATION ITEMS

I-1 STATUS UPDATE OF 2019 AUDIT PLAN
Written Report

I-2 TRAVEL REPORT - LACERA
Written Report

******* END OF OPEN SESSION AGENDA *******

CLOSED SESSION 3:00

E-1 THREAT TO PUBLIC SERVICES OR FACILITIES (GOVERNMENT CODE SECTION 54957)

Adjourn into Closed Session pursuant to Government Code section 54957 to consult with Brenda Shott, Asst. CEO; Matthew Eakin, Director of Cyber Security; Jenny Sadoski, Director of Information Technology; Jon Gossard, Information Security Manager; and Gina M. Ratto, General Counsel

Recommendation: Take appropriate action.

******* END OF CLOSED SESSION AGENDA *******

OPEN SESSION

The Committee recessed into open session. No reportable action was taken.

COMMITTEE MEMBER COMMENTS

None.

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS

None.

COUNSEL COMMENTS

None.

ADJOURNMENT

The Chair adjourned the meeting at 3:41pm.

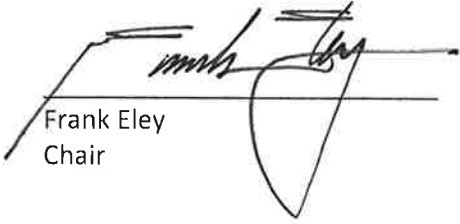
Audit Committee Meeting
June 6, 2019

Submitted by:



Steve Delaney
Secretary to the Board

Approved by:



Frank Eley
Chair