

**ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM
2223 E. WELLINGTON AVENUE, SUITE 100
SANTA ANA, CALIFORNIA**

**AUDIT COMMITTEE MEETING
June 4, 2020
9:00 a.m.**

MINUTES

OPEN SESSION

The Chair called the meeting to order at 9:06am.

Attendance was as follows:

Present via Zoom Video conference pursuant to Executive Order N-29-20 issued by Governor Newsom on March 17, 2020:

Frank Eley, Chair; Shari Freidenrich, Vice Chair; Charles Packard;

Also Present via Zoom:

David Kim, Director of Internal Audit; Steve Delaney, Chief Executive Officer; Gina Ratto, General Counsel; Suzanne Jenike, Assistant CEO, External Operations; Brenda Shott, Assistant CEO, Internal Operations; Matt Eakin, Director of Information Security; Jenny Sadoski, Director of Information Technology; Jeff Lamberson, Member Services Director; Mark Adviento, Internal Auditor; Sonal Sharma, Recording Secretary; Anthony Beltran, Audio Visual Technician.

PUBLIC COMMENT

None.

C-1 APPROVE AUDIT COMMITTEE MINUTES

Audit Committee Meeting Minutes

April 20, 2020

MOTION was made by Packard, **seconded** by Freidenrich to approve the minutes.

The motion passed **unanimously**.

A-2 2019 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, 2019;
2. Direct staff to finalize OCERS' 2019 Comprehensive Annual Financial Report (CAFR);

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3. Approve the Governmental Accounting Standards Board (GASB) Statement 67 Actuarial Valuation as of December 31, 2019; and
4. Receive and file Macias, Gini & O'Connell LLP's (MGO) "OCERS' Report to the Audit Committee for the Year Ended December 31, 2019" 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*."

MOTION by Packard, seconded by Freidenrich to approve, and recommend that the Board approve, the recommendations above.

The motion passed **unanimously**.

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, 2019; and
2. Approve the Governmental Accounting Standards Board (GASB) Statement 68 Actuarial Valuation as of December 31, 2019 for distribution to employers.

MOTION by Packard, seconded by Freidenrich to approve, and recommend that the Board approve, the recommendations above.

The motion passed **unanimously**.

INFORMATION ITEMS

I-1 AUDIT OF OCERS INFORMATION TECHNOLOGY GENERAL CONTROLS

Presentation by David Kim, Director of Internal Audit

I-2 AUDIT OF PENSIONABLE PAY ITEMS REVIEW

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

I-3 AUDIT OF ORANGE COUNTY SANITATION DISTRICT PAYROLL TRANSMITTALS

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

I-4 MANAGEMENT ACTION PLAN VERIFICATION

Written Report

I-5 STATUS UPDATE OF 2020 AUDIT PLAN

Written Report

COMMITTEE MEMBER COMMENTS

None.

CHIEF EXECUTIVE OFFICER/STAFF COMMENTS

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Mr. Kim gave an update on the Internal Audit review of controls impacted due to working remotely. He also reminded the Audit Committee to complete the MGO Performance Survey.

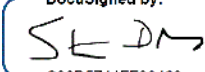
COUNSEL COMMENTS

None.

ADJOURNMENT

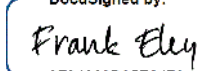
The Chair adjourned the meeting at 11:15 am.

Submitted by:

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Steve Delaney
Secretary to the Board

Approved by:

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Frank Eley
Chair