

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

**AUDIT COMMITTEE MEETING
October 13, 2020
9:00 a.m.**

MINUTES

OPEN SESSION

The Chair called the meeting to order at 9:00am.

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; Mark Adviento, Internal Auditor; Sonal Sharma, Recording Secretary; Anthony Beltran, Audio Visual Technician.

PUBLIC COMMENT

None.

C-1 APPROVE AUDIT COMMITTEE MINUTES

Updated Audit Committee Meeting Minutes
Audit Committee Meeting Minutes

January 13, 2020
June 4, 2020

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

The motion passed **unanimously**.

A-2 REVIEW OF CLOUD RISK AND READINESS ASSESSMENT

Presentation by David Kim, Director of Internal Audit and RSM

Recommendation: Receive and file.

MOTION was made by Packard, **seconded** by Vallone to receive and file.

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The motion passed **unanimously**.

A-3 ACTUARIAL EXTRACT AUDIT

Presentation by David Kim, Director of Internal Audit

Recommendation: Receive and file.

MOTION was made by Packard, **seconded** by Freidenrich to receive and file.

The motion passed **unanimously**.

A-4 QUARTERLY AUDIT OF FINAL AVERAGE SALARY CALCULATIONS

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

Upon discussion of the errors identified during Internal Audit's review resulting in a 6% error rate among the population audited, the Audit Committee directed Member Services to review a sample of the remaining Q1/Q2 population not reviewed by Internal Audit and to report their findings back to the Committee. Internal Audit will continue to test from the sample of Q3/Q4 population.

Recommendation: Receive and file.

MOTION was made by Freidenrich, **seconded** by Packard to receive and file.

The motion passed **unanimously**.

A-5 REVIEW OF CONTROLS IMPACTED BY TELECOMMUTING

Presentation by David Kim, Director of Internal Audit

Recommendation: Receive and file.

MOTION was made by Packard, **seconded** by Vallone to receive and file.

The motion passed **unanimously**.

A-6 ETHICS, COMPLIANCE, AND FRAUD HOTLINE UPDATE

Presentation by David Kim, Director of Internal Audit

Recommendation: Receive and file.

MOTION was made by Packard, **seconded** by Freidenrich to receive and file.

The motion passed **unanimously**.

INFORMATION ITEMS

Audit Committee Meeting
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I-1 AUDIT COMMITTEE AGENDA - INTERNAL AUDIT REPORT PRESENTATIONS

Presentation by David Kim, Director of Internal Audit

I-2 MANAGEMENT ACTION PLAN VERIFICATION

Written Report

I-3 STATUS UPDATE OF 2020 AUDIT PLAN

Written Report

The Committee recessed into Closed Session at 11:46am.

The Committee resumed at 12:16am.

CLOSED SESSION

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 Steve Delaney, CEO, Brenda Shott, Asst. CEO; Matthew Eakin, Director of Information 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 *******

COMMITTEE MEMBER COMMENTS

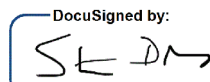
CHIEF EXECUTIVE OFFICER/STAFF COMMENTS

COUNSEL COMMENTS

ADJOURNMENT


The Chair adjourned the meeting at 11:15 am.

Submitted by:

DocuSigned by:

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Steve Delaney
Secretary to the Board

Approved by:

DocuSigned by:

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Frank Eley
Chair