

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

AUDIT COMMITTEE MEETING

June 4, 2021

1:30 p.m.

MINUTES

OPEN SESSION

The Chair called the meeting to order at 1:45 pm.

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; Charles Packard

Also Present via Zoom:

David Kim, Director of Internal Audit; Steve Delaney, Chief Executive Officer; Gina Ratto, General Counsel; Brenda Shott, Assistant CEO, Internal Operations; Jenny Sadoski, Director of Information Technology; Tracy Bowman, Director of Finance; Mark Adviento, Internal Auditor; Sonal Sharma-Beeson, Recording Secretary; Anthony Beltran, Audio Visual Technician.

Absent: Jeremy Vallone; Shari Freidenrich

PUBLIC COMMENT

None.

MOTION by Packard, **seconded** by Eley, to approve the Consent items below:

C-1 APPROVE AUDIT COMMITTEE MEETING MINUTES

Audit Committee Meeting Minutes

March 22, 2021

C-2 REQUEST FOR PROPOSAL – FINANCIAL AUDITOR

Recommendation: Staff requests the Audit Committee approve the distribution of a Request for Proposal (RFP) to initiate a search for a financial auditor.

The motion passed **unanimously**.

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A-2 2020 FINANCIAL STATEMENT AUDIT

Presentation by David Bullock and Craig Harner, Macias Gini & O'Connell

Recommendations:

1. Approve OCERS' audited financial statements for the year ended December 31, 2020;
2. Direct staff to finalize OCERS' 2020 Comprehensive Annual Financial Report;
3. Approve the Governmental Accounting Standards Board (GASB) Statement 67 Actuarial Valuation as of December 31, 2020; and
4. Receive and file Macias, Gini & O'Connell LLP's (MGO) "OCERS' Report to the Audit Committee for the Year Ended December 31, 2020" 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 was made by Eley, **seconded** by Packard to approve the above recommendations.

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, 2020; and
2. Approve the Governmental Accounting Standards Board (GASB) Statement 68 Actuarial Valuation as of December 31, 2020 for distribution to employers.

MOTION was made by Eley, **seconded** by Packard to approve the above recommendations.

The motion passed **unanimously**.

A-4 CONTINUOUS AUDIT OF FINAL AVERAGE SALARY CALCULATIONS (Q2 2021)

Presentation by David Kim, Director of Internal Audit

Recommendation: Receive and file

MOTION was made by Packard, **seconded** by Eley to approve the above recommendations.

The motion passed **unanimously**.

The Committee took a break at 3:09 pm.

The Committee resumed at 3:24 pm.

The Committee recessed into Closed Session at 3:24 pm.

The Committee resumed at 4:36 pm.

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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.

The Audit Committee took no reportable action.

INFORMATION ITEMS

- I-1 OPERATIONAL RISK MANAGEMENT ANNUAL REPORT**
Presentation by Brenda Shott, Assistant CEO of Internal Operations
- I-2 STATUS UPDATE OF 2021 AUDIT PLAN**
Written Report
- I-3 MANAGEMENT ACTION PLAN VERIFICATION**
Written Report

COMMITTEE MEMBER COMMENTS

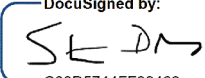
CHIEF EXECUTIVE OFFICER/STAFF COMMENTS

COUNSEL COMMENTS

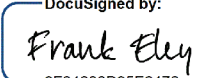
ADJOURNMENT

The Chair adjourned the meeting at 4:38 pm.

Submitted by:

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Steve Delaney
Secretary to the Board

Approved by:

DocuSigned by:

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Frank Eley
Chair