

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

**AUDIT COMMITTEE MEETING  
Wednesday, October 11, 2023  
9:30 A.M.**

**MINUTES**

**OPEN SESSION**

Chair Oates called the meeting to order at 9:31 a.m.

Recording Secretary administered the Roll Call attendance.

Attendance was as follows:

Present: Richard Oates, Chair (via Zoom); Charles Packard, Vice Chair (via Zoom); Adele Tagaloa, Board Member; Shari Freidenrich, Ex-Officio Member

Also Present: Steve Delaney, Chief Executive Officer; Suzanne Jenike, Assistant CEO, External Operations; Brenda Shott, Assistant CEO, Internal Operations; Manuel Serpa, General Counsel; David Kim, Director of Internal Audit; Jeff Lamberson, Director of Member Services; Matthew Eakin, Director of Information Security; Jon Gossard, Information Security Manager; Mark Adviento, Senior Internal Auditor; Jenny Davey, Internal Auditor; Esther Hong, Internal Auditor; Marielle Horst, Recording Secretary; Anthony Beltran, Audio Visual Technician

**2. BOARD MEMBER STATEMENT REGARDING PARTICIPATION VIA ZOOM**

Mr. Packard and Chair Oates provided a statement regarding their attendance via zoom, pursuant to AB2449.

**3. PUBLIC COMMENT**

None

**CONSENT AGENDA**

**C-1 APPROVE AUDIT COMMITTEE MEETING MINUTES**

Audit Committee Meeting Minutes

June 1, 2023

**MOTION** by Mr. Packard, **seconded** by Ms. Tagaloa, to approve the Minutes.

Orange County Employees Retirement System  
October 11, 2023  
Audit Committee Meeting

The motion passed **unanimously.**

**ACTION ITEMS**

**A-1 INDIVIDUAL ACTION ON ANY ITEM TRAILED FROM THE CONSENT AGENDA**

None

**A-2 ORANGE COUNTY IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY EMPLOYER AUDIT**

*Presentation by Mark Adviento, Senior Internal Auditor*

**Recommendation:** Receive and file.

After discussion, Ms. Freidenrich suggested to staff to provide an annual report of the audit findings to the employers. Ms. Jenike agreed to provide an annual report of the audit findings.

Ms. Freidenrich would like the IHSS to review the overcollections that were found in the audit and consider communicating the audit reports to the governing boards of the respective Employer. Staff will conduct additional research and provide an outcome to the committee.

**MOTION** by Mr. Packard, **seconded** by Ms. Tagaloa to adopt staff's recommendation to receive and file.

The motion passed **unanimously.**

**A-3 ORANGE COUNTY FIRE AUTHORITY EMPLOYER AUDIT**

*Presentation by Mark Adviento, Senior Internal Auditor*

**Recommendation:** Receive and file.

Mr. Delaney shared positive feedback received from OCFA management regarding the Internal Audit team.

After discussion, **MOTION** by Ms. Tagaloa, **seconded** by Mr. Packard to adopt staff's recommendation to receive and file.

The motion passed **unanimously.**

**A-4 AUDIT OF REMAINING SAMPLES ALAMEDA BENEFIT RECALCULATIONS**

*Presentation by David Kim, Director of Internal Auditor*

**Recommendation:** Receive and file.

After discussion, **MOTION** by Ms. Freidenrich, **seconded** by Mr. Packard to adopt staff's recommendation to receive and file.

Orange County Employees Retirement System  
October 11, 2023  
Audit Committee Meeting

The motion passed **unanimously**.

**A-5 AUDIT OF OCERS HIRING PRACTICES**

*Presentation by David Kim, Director of Internal Auditor*

**Recommendation:** Receive and file.

After discussion, **MOTION** by Mr. Packard, **seconded** by Ms. Tagaloa to adopt staff's recommendation to receive and file.

The motion passed **unanimously**.

*The Committee recessed for break at 10:27 a.m.*

*The Committee reconvened from break at 10:43 a.m.*

Recording Secretary administered the Roll Call attendance.

**CLOSED SESSION ITEMS**

*The Committee adjourned to closed session at 10:44 a.m.*

**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; Suzanne Jenike, Asst. CEO; Manuel Serpa, General Counsel; David Kim, Director of Internal Audit, Mark Adviento, Senior Internal Audit, and Jenny Davey, Internal Auditor.*

**Recommendation:** Take appropriate action.

*The Committee reconvened to open session at 11:38 a.m.*

**REPORT OF ACTIONS TAKEN IN CLOSED SESSION**

*No reportable action was taken during Closed Session.*

**WRITTEN REPORTS**

**R-1 MANAGEMENT ACTION PLAN VERIFICATION REPORT**

*Written Report*

**R-2 STATUS UPDATE OF 2023 AUDIT PLAN**

Orange County Employees Retirement System  
October 11, 2023  
Audit Committee Meeting

*Written Report*

**COMMITTEE MEMBER COMMENTS**

Mr. Packard remarked he is pleased with the progress Internal Audit is making. Chair Oates agreed that Mr. Kim and the team are making great progress. Ms. Tagaloa is appreciative of the work both the IT and Audit teams have provided.

Ms. Freidenrich noted the 2023 Audit Plan should have a formatting change to include columns of actual vs. planned hours.

**STAFF COMMENTS**

Mr. Kim informed the committee that Mr. Delaney has asked Internal Audit’s help in an advisory capacity on the Master Repository Project. The tasks will include previewing procedure documents to verify the logic. Mr. Kim noted the Internal Audit Charter has a provision which allows Internal Audit to provide advisory type services. Additionally, the 2023 Audit Plan would not be affected as there 84 hours in *Ethics Hotline Reporting* that have not been used. The MRP advisory will take up to 80 hours of Mr. Kim’s time.

The Committee gave Mr. Kim direction to participate in the MRP and report back in December.

**CHIEF EXECUTIVE OFFICER**

None

**COUNSEL COMMENTS**

None

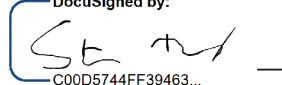
**ADJOURNMENT**

Chair Oates adjourned the meeting at 11:56 a.m.

Submitted by:

DocuSigned by:  
  
FF9B072A8038477...  
David Kim  
Committee Liaison

Submitted by:

DocuSigned by:  
  
C00D5744FF39463...  
Steve Delaney  
Secretary to the Board

Approved by:

DocuSigned by:  
  
9ADAC097666B48E...  
Richard Oates  
Chair