



October 8, 2014

To: Members of the Board of Retirement
From: Donald R. White, Chair
Subject: Summary of the October 8, 2014 Audit Committee Meeting

Audit Committee Chair Donald White called the Audit Committee Meeting to order at 1:05 p.m. Committee members present were Donald White, Chair and George Wood. The other Board member present was Annette Cain-Darnes, Board Chair. Staff present were Vincent Brown, Chief Executive Officer; Harsh Jadhav, Chief of Internal Audit; Marguerite Malloy, Associate Counsel; Margo Allen, Fiscal Services Officer; Rose Kwong, Benefits Manager; Betty Tse, Chief Investment Officer; and Latrena Walker, Project & Information Services Manager.

ACTION ITEMS

1. Discussion and Possible Motion recommending approval of the Audit of Employer Compensation and Retirement Information Policy.

Harsh Jadhav, Chief of Internal Audit presented the Audit of Employer Compensation and Retirement Policy. Discussion followed regarding the wording of F. under the IV Policy Guidelines section. Specifically, the “rule of law” and the due date of 15 days prior to the presentation of the final audit report. Staff will work with the Legal Department to make appropriate changes.

After a discussion, it was moved by George Wood and seconded by Annette Cain-Darnes that the Audit Committee recommends to the Board of Retirement that the Board accept the Audit of Employer Compensation and Retirement Information Policy with modifications to wording of F. in section IV Policy Guidelines.

The motion carried 3 yes (Cain-Darnes, White, Wood), 0 no, 0 abstentions.

INFORMATION ITEMS

Internal Audit

1. Progress Report on Internal Audit Work Plan

Harsh Jadhav, Chief of Internal Audit, presented the status update for the 2014 Internal Audit Plan, and the 2014 Participating Employers Audit Plan.

2. Status Update on Participating Employer Audits

Harsh Jadhav, Chief of Internal Audit, reviewed the 2014 Employer Audit Plan and the status of the audit deliverables.

3. Review Completed Internal Audits

Harsh Jadhav, Chief of Internal Audit, reviewed the results of the Investment Management Fees Audit. Staff from Investments and Fiscal Services discussed remediation plans.

TRUSTEE/PUBLIC INPUT

Dennis Bozanich, County Administrator's Office, requested that Internal Audit staff be sensitive to the County's workload in the second quarter when scheduling future County audits. This is a busy time due to the budget and staffing constraints.

RECOMMENDATIONS

The Audit Committee recommends to the Board of Retirement that the Board accept the Audit of Employer Compensation and Retirement Information Policy as modified.

ESTABLISHMENT OF NEXT MEETING DATE

February 11, 2015 at 1:00 p.m.

MEETING ADJOURNED

The meeting adjourned at 2:00 p.m.