

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
SPECIAL MEETING OF MAY 21, 2009

The Audit Committee and members of the Board of Fire and Police Pension Commissioners of the City of Los Angeles met in Room 800, 360 East Second Street, on Thursday, May 21, 2009.

COMMITTEE

MEMBERS PRESENT: Patricia Means, Chair
George Aliano, Vice Chair
Sam Diannitto

OTHER COMMISSIONERS

PRESENT: Mike Carter, Vice President

**DEPARTMENT OF FIRE AND
POLICE PENSIONS:**

Michael A. Perez, General Manager
D. Edward Griffiths, Assistant General Manager
Laura Guglielmo, Chief Management Analyst
Tom Lopez, Chief Investment Officer
Barbara Nobregas, Commission Executive Assistant

CITY ATTORNEY'S OFFICE: Alan Manning, Assistant City Attorney

Chair Means called the meeting to order at 8:09 a.m. All of the above Commissioners were present at the start of the meeting.

1. REVIEW OF AUDIT COMMITTEE AUDIT PLAN ASSIGNMENTS FOR DISPOSITION AND POSSIBLE COMMITTEE ACTION

D. Edward Griffiths, Assistant General Manager, Pensions Division spoke to the Committee. He indicated that there were seven recommendations that had status changes. He reported that if the Committee adopts the recommendations, then a report will be submitted to the full Board. The Committee discussed the completion of three IFS recommendations pertaining to the consolidation of investment and benefit functions. It was reported that the Board is not able to address the issues because they require a charter change. The Committee asked staff to monitor the issues.

Mr. Griffiths and Ms. Laura Guglielmo, Assistant General Manager, Administrative Operations reported what was being done in regards to developing a long term staffing plan. Mr. Griffiths stated that

knowledge was being passed down. Ms. Guglielmo stated that the department has analyzed the state of readiness by identifying key personnel and section managers who would be highly likely to leave within five years. General Manager Perez reported that he will report to the Board on the staffing plan in June or early July.

MOTION

Commissioner Diannitto moved that the Audit Committee recommend to the full Board approval:

1. That the Audit Committee review its Consolidated Audit Plan assignments to ensure that the status code and priority for each recommendation reflects the Committee's perspective and direct staff to make any necessary changes; and,
 2. Establish a timeline for periodic review of implementation progress, which was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Diannitto and Chair Means – 3; nays, none.
2. AUDIT COMMITTEE SELECTION AND RECOMMENDATION OF AN EXTERNAL FINANCIAL AUDITOR

Ms. Tedi Florendo, Chief Accountant, Accounting section came before the Committee to report that three firms responded to the Request for Proposal for the external financial auditor. Staff conducted a preliminary review of the proposals relating to the technical qualifications. Ms. Florendo gave the Committee a summary of the each firm's qualifications. The following individuals came before the Committee to give presentations on their firms:

Brown Armstrong

Mr. Andrew J. Paulden

Mayer Hoffman McCann

Ms. Jennifer Haney and Ms. Lindsay Golliher

Simpson & Simpson, CPAs

Ms. Melba Simpson and Ms. Grace Yuen

Ms. Florendo reported the results of the preliminary review which was done by Assistant General Manager Laura Guglielmo, Chief Investment Officer Tom Lopez and Ms. Florendo as Chief Accountant. The Committee agreed with staff's recommendation on which firm to select as the external financial auditor.


MOTION

Commissioner Diannitto moved that the Audit Committee recommend to the full Board approval of hiring Simpson and Simpson, CPA's as the external financial auditor, allowing staff the option to negotiate fees, which was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Diannitto and Chair Means – 3; nays, none.

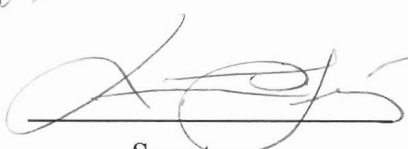
3. PUBLIC COMMENTS

There was no public comment.

The Audit Committee adjourned at 9:06 a.m.


Chair

for Pat Means


Secretary