

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
SPECIAL BOARD MEETING OF JULY 7, 2011

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, July 7, 2011.

COMMITTEE

MEMBERS PRESENT: Ruben Navarro, Chair
Brenda Maull
Wayne Moore

COMMISSIONER ABSENT: Raúl Pérez

OTHER COMMISSIONERS

PRESENT: President Hansell
George Aliano
Sam Diannitto

AUDIT COMMITTEE

SUPPORT STAFF: Erin Kenny, Internal Auditor IV

**DEPARTMENT OF FIRE AND
POLICE PENSIONS:**

Michael A. Perez, General Manager
William Raggio, Assistant General Manager
Joseph Salazar, Interim Assistant General Manager
Tom Lopez, Chief Investment Officer
Barbara Nobregas, Commission Executive Assistant

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

Chair Navarro called the meeting to order at 8:07 a.m. The Audit Committee will be noted as a Special Board meeting since more than four Commissioners were present. All of the above Commissioners were present at the start of the meeting with the exception of Commissioner Diannitto, who arrived at 8:19 a.m.

1. MEMBER BENEFIT PAYMENT PROCESS AUDIT AND POSSIBLE COMMITTEE ACTION

Ms. Erin Kenney, Internal Auditor IV and Mr. James Yeung, Internal Auditor III, presented the audit process. Mr. Yeung gave an overview of the key findings and corresponding recommendations of the audit. Ms. Kenney answered the Committee's questions. Mr. Ken Buzzell, Director of the Los Angeles Retired Fire & Police Association, made a public comment. The Committee discussed

the obligation to notify members of DROP interest changes. General Manager Perez said this is an equity issue and it will be addressed in the report to the full Board.

MOTION

Commissioner Moore moved that the Audit Committee review the member Benefit Payment Process Audit and recommend it to the full Board for approval, which was seconded by Commissioner Maull and approved by the following vote: ayes, Commissioners Maull, Moore and Chair Navarro – 3; nays, none.

2. INTERNAL AUDIT CHARTER AND POSSIBLE COMMITTEE ACTION

Ms. Erin Kenney presented the proposed Internal Audit Charter. She stated the reasons for implementing the Audit Charter and answered the Committee's questions.

MOTION

Commissioner Maull moved that the Audit Committee review the proposed Internal Audit Charter and recommend it to the full Board for approval, which was seconded by Commissioner Moore and approved by the following vote: ayes, Commissioners Maull, Moore and Chair Navarro – 3; nays, none.

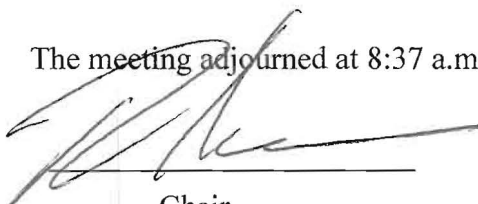
3. STATUS REPORT ON THE SIMPSON AND SIMPSON AUDIT MANAGEMENT LETTER FOR FISCAL YEAR ENDING JUNE 30, 2010

Ms. Yolanda Huang, Departmental Chief Accountant III, Ms. Erin Kenney, and Mr. Frank Liu, CPA and Audit Manager of Simpson & Simpson CPAs presented the report. Mr. Liu stated he was satisfied with LAFPP management responses. Mr. Tom Lopez, Chief Investment Officer answered the Committee's question on the timeliness of investment managers' financial information. The board report was received and filed.


4. PUBLIC COMMENTS

There were no public comments.

The meeting adjourned at 8:37 a.m.



Chair



Secretary