

**MINUTES**  
**OF THE**  
**BOARD OF FIRE AND POLICE PENSION COMMISSIONERS**  
**SPECIAL BOARD MEETING OF JUNE 5, 2014**

The Audit Committee and members of the Board of Fire and Police Pension Commissioners of the City of Los Angeles met at the LACERS Board Room, located at the Los Angeles Times Building, 202 W. First Street, Suite 500, Los Angeles 90012 on Thursday, June 5, 2014.

**COMMITTEE**

**MEMBERS PRESENT:** Robert von Voigt, Chair  
George Aliano  
Emanuel Pleitez  
Corinne Tapia

**OTHER COMMISSIONERS  
PRESENT:**

Carl Cade  
Pedram Salimpour  
Belinda Vega

**AUDIT COMMITTEE  
SUPPORT STAFF:**

Erin Kenney, Departmental Audit Manager

**DEPARTMENT OF FIRE AND  
POLICE PENSIONS:**

William Raggio, Executive Officer  
Tom Lopez, Chief Investment Officer  
Barbara Nobregas, Commission Executive Assistant

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

Chair von Voigt called the meeting to order at 8:31 a.m., indicating a quorum was established. The Audit Committee will be noted as a Special Board meeting since more than four Commissioners were present.

**1. ELECTION OF VICE CHAIR AND POSSIBLE COMMITTEE ACTION**

Chair von Voigt opened up nominations for the position of Vice Chair.

**MOTION**

Commissioner Aliano nominated Commissioner Tapia as Vice Chair of the Audit Committee, seconded by Commissioner Pleitez and approved by the following vote, ayes: Commissioners Aliano, Pleitez, Tapia, and Chair von Voigt – 4; nays, none.

**2. FOLLOW UP REPORT REGARDING BROWN ARMSTRONG'S 2013 AUDIT RECOMMENDATIONS; AND POSSIBLE COMMITTEE ACTION**

Ms. Erin Kenney, Departmental Audit Manager and Ms. Caroline Dinu, Senior Management Analyst II, from Internal Audit Section provided updates to the two recommendations related to Brown Armstrong's Audited Financial Statements. Ms. Kenney gave details of the recalculation of investment fees conducted by RV Kuhns, and the Benefit payment reconciliation process that will be performed on a monthly basis by the Accounting Section.

**MOTION**

Commissioner Aliano moved that the Audit Committee review the Follow Up Report regarding Brown Armstrong's 2013 Audit recommendations and recommend it to the full Board for approval, seconded by Commissioner Tapia and approved by the following vote, ayes: Commissioners Aliano, Pleitez, Tapia, and Chair von Voigt – 4; nays, none.

**3. CITY MANAGEMENT AUDIT RECOMMENDATIONS ASSIGNED TO AUDIT COMMITTEE; AND POSSIBLE COMMITTEE ACTION**

Ms. Erin Kenney and Ms. Caroline Dinu were before the Committee. Ms. Kenney provided an update to four of the Management Audit recommendations: 1) consolidating the paper-based member files into a centralized file, 2) organizing paper-based member files, 3) security at the current office location, 4) a security plan at the new office location. She will provide the status of recommendations at future Audit Committee meetings. Mr. William Raggio, Executive Officer, Administrative Operations provided an overview of the back file conversion process.

**MOTION**

Commissioner Pleitez moved that the Audit Committee:

1. Review the proposed status of the City Management Audit Recommendations assigned to the Audit Committee; and
2. Recommend to the Board to approve the status of the HEK Recommendations as indicated in the report and direct staff to report back to the Audit Committee within 120 days with an updated status of the outstanding item listed in the report, seconded by Commissioner Aliano and approved by the following vote, ayes: Commissioners Aliano, Pleitez, Tapia, and Chair von Voigt – 4; nays, none.

**4. REVIEW OF THE INTERNAL AUDIT CHARTER AND POSSIBLE COMMITTEE ACTION**

Ms. Erin Kenney and Ms. Caroline Dinu were before the Committee. Ms. Kenney discussed the four modifications to the Internal Audit Charter.

MOTION

Commissioner Aliano moved that the Audit Committee review the proposed updated Internal Audit Charter and recommend it to the full Board the approval, seconded by Commissioner Pleitez and approved by the following vote, ayes: Commissioners Aliano, Pleitez, Tapia, and Chair von Voigt – 4; nays, none.

5. FOLLOW UP TO THE SUBSIDY PROGRAM AUDIT – HEALTH PLANS ADMINISTERED BY THE LOS ANGELES POLICE RELIEF ASSOCIATION AND POSSIBLE COMMITTEE ACTION

Ms. Erin Kenney and Ms. Caroline Dinu were before the Committee. Ms. Kenney provided an update to the Subsidy Program Audit and the status of six recommendations, three of which were completed. Mr. Anthony Torres, Senior Manager Analyst II, Medical & Dental Benefits Section discussed the invoicing process between LAFPP and Los Angeles Police Relief Association.

MOTION

Commissioner Tapia moved that the Audit Committee:

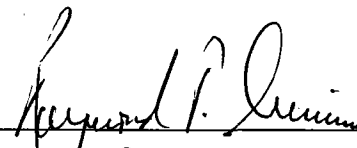
1. Review the Follow Up to the Subsidy Program Audit – Health Plans Administered by the Los Angeles Police Relief Association; and,
2. Recommend it be communicated to the full Board to be reviewed, received, and filed, seconded by Commissioner Pleitez and approved by the following vote, ayes: Commissioners Aliano, Pleitez, Tapia, and Chair von Voigt – 4; nays, none.

6. PUBLIC COMMENTS

There were no public comments.

The meeting adjourned at 8:51 a.m.

  
Chair

  
Secretary