

**MINUTES**  
**OF THE**  
**BOARD OF FIRE AND POLICE PENSION COMMISSIONERS**  
**SPECIAL MEETING OF DECEMBER 4, 2008**

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, December 4, 2008.

**COMMITTEE**

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

**OTHER COMMISSIONERS**

**PRESENT:** Mike Carter, President-Pro Tem  
Robert von Voigt

**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 8:10 a.m. At the start of the Audit Committee, President Pro Tem Carter appointed himself to the Committee to make a quorum. 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 Commissioners Diannitto who arrived at 8:15 a.m. and Commissioner Broidy who arrived at 8:18 a.m.

**1. RISK ASSESSMENT AND AUDIT PLAN PRESENTATION**

Ms. Caroline Dinu, Senior Management Analyst II, Internal Audit Section came before the Board and introduced the Accretive Solutions staff: Mr. Bob Miranda, Subcontractor; Mr. Dean Gheewalla, Manager; and Mr. George Alexander, Vice President-Market Leader, Southern California Region. Mr. Gheewalla gave a presentation on the completed risk assessment of the strategic and operational

functions. Commissioner Broidy suggested if it was cost effective to have staff work with the consultant for the remainder of the year and thereafter, hire additional staff. General Manager Perez discussed staff's recommendations on the issues and the plan to work with Accretive Solutions to complete the project and decide thereafter, whether or not to hire an internal auditor for the next fiscal year. Ms. Dinu discussed the recommendations but also noted the need for a consolidated plan. Mr. Alexander reported the previous challenges that Accretive Solutions faced in dealing with staff turnover at Accretive Solutions.

MOTION

Commissioner Diannitto moved that the Committee direct staff to return to the Committee with a consolidated Audit Plan and recommendations, which motion was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Broidy, President Pro Tem Carter and Chair Means - 4; nays, none.

2. REVIEW AND POSSIBLE RECOMMENDATION TO THE BOARD TO ADOPT THE AUDITED FINANCIAL STATEMENTS AS OF JUNE 30, 2008

Ms. Tedi Florendo, Department Chief Accountant, Accounting Section came before the Committee and introduced the external auditor: Mr. Brainard Simpson, Managing Partner; Ms. Grace Yuen, Field Partner; and Mr. Frank Liu, Audit Manager from Simpson & Simpson, Certified Public Accountants. Mr. Simpson gave an overview of the external audit conducted on the System's completed financial statements as of June 30, 2008 that included the audited management letter. It was suggested that staff work with Simpson & Simpson to complete the internal audit function. Mr. Simpson indicated that he would assist with respect to the risk and internal audit function. General Manager Perez stated that staff would work with the CPA firm.

MOTION

Commissioner Diannitto moved that the Committee accept and recommend that the Board adopt the System's Audited Financial Statements as of June 30, 2008, which motion was seconded by Commissioner Broidy and approved by the following vote: ayes, Commissioners Aliano, Broidy, President Pro Tem Carter and Chair Means - 4; nays, none.

Mr. Simpson discussed the management letter. He recommended that the procedures listed in the letter be addressed to improve the process.

3. PUBLIC COMMENTS

There were no public comments.

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

A handwritten signature in black ink, appearing to read "Scott", written over a horizontal line.

President

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke, written over a horizontal line.

Secretary