

**MINUTES**  
**OF THE**  
**BOARD OF FIRE AND POLICE PENSION COMMISSIONERS**  
**SPECIAL MEETING OF FEBRUARY 19, 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, February 19, 2009.

**COMMITTEE**

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

**OTHER COMMISSIONERS**

**PRESENT:** Sean Harrigan, President  
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:** Mike Wilkinson, Deputy City Attorney

Chair Means called the meeting to order at 8:05 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 Broidy who arrived at 8:10 a.m. and Commissioner von Voigt who arrived at 8:45 a.m.

1. STATUS REPORT ON THE SIMPSON AND SIMPSON AUDIT MANAGEMENT LETTER FOR FISCAL YEAR ENDING JUNE 30, 2008

Ms. Caroline Dinu, Senior Management Analyst II, Internal Audit Section came before the Committee. She gave an overview of all the observations listed in the committee report and answered the Committee's questions. Chair Means stated the observations were minor and commended staff on the changes. No Committee action was taken on this item.

2. REVISED CONSOLIDATED AUDIT PLAN AND POSSIBLE COMMITTEE ACTION

Ms. Caroline Dinu, Senior Management Analyst II, Internal Audit Section presented the 2008-2009 Audit Plan. She stated that the risk assessment report and the proposed audit plan were presented to the Audit Committee on Dec. 4. The Committee directed staff to review the proposed audit plan and return with a consolidated plan that prioritizes both the audit projects resulting from the risk assessment and the recommendations of the IFS Audit. She reported that if the Committee approves the plan, the next step is to send the plan to the full Board for dispatch to the various committees. Ms. Dinu reported that she will coordinate with the liaisons who will consult with each Committee to determine if they agree with the prioritization. Staff will then have direction from the various Committees to determine which projects to work on. Chair Means asked Ms. Dinu to clarify status items listed with 4 which recommends no action. Ms. Dinu responded that the reasons vary for each recommendation. Among the reasons are some items may require a Charter change or it is staff's perception that the Board may not pursue an item or a change to state law. General Manager Perez indicated that each Committee will have an opportunity to review each entry. President Harrigan requested further discussion on the ability to hire an outside fiduciary counsel and the consolidation of the investment process. General Manager Perez reported that those items will be addressed by the appropriate Committee. Chair Means moved to recommend to the full Board the audit plan including the committee assignments and status codes listed therein, with the intention that each Committee will determine the status disposition and re-prioritize the list.

MOTION

Commissioner Diannitto moved that the Audit Committee recommend to the full Board approval of the audit plan including the committee assignments and the status codes listed therein, with the intention that each Committee will have the option to determine the status disposition and re-prioritize their respective list, which was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Broidy, Diannitto and Means – 4; nays, none.

3. PROPOSED MULTI-YEAR STRATEGIC PLAN – JULY 1, 2009 THROUGH JUNE 30, 2012 AND POSSIBLE COMMITTEE ACTION

Ms. Laura Guglielmo, Assistant General Manager, Administrative Operations came before the Committee to describe the process staff took to come up with the Strategic Plan. President Harrigan requested that the Board be involved on the onset of the Strategic Plan process. Ms. Guglielmo stated the Board was involved with the four major goals: customer service, risk management, communications and facilities and resource analysis of the Strategic Plan. General Manager Perez indicated that the Board involvement will be built in the timetable. Ms. Guglielmo proceeded to give a brief overview of the various projects. Robyn Barnes, Senior Management Analyst II, Communications and Special Projects described the Enhance Retirement Counseling and Member Literature. Mr. Gregory Mack, Senior Management Analyst II, Medical and Dental Benefits Section described the Associations Audit Project. Mr. Edward Griffiths, Assistant General Manager, Pensions Division described the Internal Revenue Code Compliance. Ms. Guglielmo then proceeded to the Internal Audit Project. Chair Means asked for the projected time to complete the IFS Audit recommendations. Ms. Dinu reported an estimated time of two years to complete. The Committee discussed the hiring of a departmental chief auditor. Ms. Guglielmo proceeded to the process of the Communications and Stakeholder Relations, which was described by Mr. Tom Lopez, Chief Investment Officer, Investments Division. Ms. Guglielmo proceeded to the Facility and Resource Analysis goal. Chair Means asked that management include an overarching goal for the period covered by the Strategic Plan. President Harrigan suggested that staff include the overarching management goal when proceeding to the full Board. He also suggested that staff have the best consultants to help make decisions going forward.

MOTION

Commissioner Diannitto moved that the Audit Committee recommend to the full Board approval of the Strategic Plan – July 1, 2009 through June 30, 2012, including an overarching management goal, which was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Broidy, Diannitto and Means – 4; nays, none.

4. FISCAL YEAR 2009-2010 PROPOSED BUDGET AND POSSIBLE COMMITTEE ACTION

Ms. Myo Thedar, Senior Management Analyst II, Administrative Services Section presented the proposed budget. The committee report was approved as submitted.

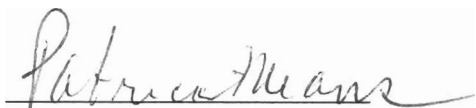
MOTION

Commissioner Diannitto moved that the Audit Committee recommend to the full Board approval of the 2009-2010 Proposed Budget, which was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Broidy, Diannitto and Means – 4; nays, none.

5. PUBLIC COMMENTS

Ms. Elsa Moy commented on item 4.

The Audit Committee adjourned at 9:29 a.m.



Chair



Secretary