

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
SPECIAL MEETING OF DECEMBER 16, 2010

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 16, 2010.

COMMITTEE

MEMBERS PRESENT: Brenda Maull
Wayne Moore
Ruben Navarro

COMMITTEE MEMBER

ABSENT: Raúl Pérez

OTHER COMMISSIONERS

PRESENT: President Hansell
Sam, Diannitto
Robert von Voigt

AUDIT COMMITTEE

SUPPORT STAFF: William Raggio, Assistant General Manager
Erin Kenny, Internal Auditor IV

DEPARTMENT OF FIRE AND
POLICE PENSIONS:

Laura Guglielmo, Assistant General Manager
William Raggio, Assistant General Manager
Tom Lopez, Chief Investment Officer
Barbara Nobregas, Commission Executive Assistant

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

The Audit Committee will be noted as a Special Board meeting since more than four Commissioners were present. Chair Hansell appointed himself to the Committee to establish a quorum. All of the above Commissioners were present at the start of the meeting, with the exception of Commissioner Maull who arrived at 8:07 a.m.

2. COMMITTEE REVIEW OF RISK ASSESSMENT RESULTS AND PROPOSED ANNUAL AUDIT PLAN; AND POSSIBLE COMMITTEE ACTION

Ms. Erin Kenny, Internal Auditor, IV, Internal Audit Division came before the Committee and introduced Mr. James Yeung, the new Internal Auditor on her staff. Ms. Kenny presented the

Annual Audit Plan and detailed information. She then presented the Risk Assessment and answered the Board's questions.

MOTION

Commissioner Navarro moved that the Audit Committee:

1. Review the Risk Assessment Results.
2. Review the proposed 2011 Annual Audit Plan (AAP) and recommend the AAP to the full Board for approval, which was seconded by Commissioner Moore and approved by the following vote: ayes, Commissioners Maull, Moore, Navarro, and President Hansell – 4: nays, none.

3. SERVICE PENSION FILE DOCUMENTATION AUDIT

Ms. Erin Kenny presented the report indicating that Ms. Caroline Dinu, Senior Management Analyst II, Internal Audit Division was the project manager. The board report was received and filed.

4. AUDITED FINANCIAL STATEMENTS AS OF JUNE 30, 2010 AND POSSIBLE COMMITTEE ACTION

Ms. Yolanda Huang, Departmental Chief Accountant III and Mr. Brainard Simpson, Engagement Partner and Managing Partner of Simpson and Simpson presented the audited financial statements. Mr. Simpson stated the audit was completed according the Generally Accepted Auditing Standards. He stated that the management letter will be presented in January 2011. The Committee asked if it is necessary for the external auditor to meet with the Audit Committee only, according to FASB (Financial Accounting Standards Board) rules. Should the Committee amend its board policy to reflect that the auditors meet with the Chair of the Audit Committee to extend any concerns of the auditor and that it be a standard process of the audit? President Hansell suggested for next year's audit that the auditor meet with the Chair of the Audit Committee, according to the government standard that a meeting take place after the audit is completed, and be in compliance and consistent with the Brown Act. President Hansell also suggested that staff to bring forward an amendment to audit procedures to allow a consultation with the Audit Chair and auditors. Mr. Simpson gave an overview of the management letter. Ms. Guglielmo stated the process of hiring external auditors.

MOTION

Commissioner Navarro moved that the Audit Committee approve the Audited Financial Statements and recommend to the full Board, which was seconded by Commissioner Maull and approved by the following vote: ayes, Commissioners Maull, Moore, Navarro, and President Hansell – 4: nays, none.

Item 1 was taken out of order.

1. ELECTION OF CHAIR AND POSSIBLE COMMITTEE ACTION

President Hansell stated he temporarily nominated himself to the Committee to establish a quorum. He opened the floor for nominations of a Chair.

MOTION

President Hansell moved that the Audit Committee elect Commissioner Navarro as Chair of the Audit Committee, which was seconded by Commissioner Moore and approved by the following vote: ayes, Commissioners Maull, Moore, Navarro, and President Hansell – 4: nays, none.

President Hansell passed the gavel to Chair Navarro.

5. PUBLIC COMMENTS

There were no public comments.

The meeting adjourned at 8:41 a.m.



Chair



Secretary