

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
SPECIAL BOARD MEETING OF JANUARY 21, 2016

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, January 21, 2016.

COMMITTEE

MEMBERS PRESENT: Ruben Navarro, Chair
Corinne Tapia, Vice Chair
George Aliano
Brian Pendleton

**OTHER COMMISSIONERS
PRESENT:**

Sam Diannitto, Adam Nathanson, Pedram Salimpour, and
Robert von Voigt

**AUDIT COMMITTEE
SUPPORT STAFF:**

Erin Kenney, Departmental Audit Manager

**DEPARTMENT OF FIRE AND
POLICE PENSIONS:**

Raymond P. Ciranna, General Manager
William Raggio, Executive Officer
Joseph Salazar, Assistant General Manager
Tom Lopez, Chief Investment Officer
Rhonda Ketay, Commission Executive Assistant

CITY ATTORNEY'S OFFICE: Joshua Geller, Deputy City Attorney

Vice Chair Navarro called the meeting to order at 8:31 a.m. All of the above-listed Commissioners were present at the start of the meeting. The Audit Committee meeting will be noted as a Special Board meeting since a quorum of the Board was present.

1. ELECTION OF COMMITTEE CHAIR AND POSSIBLE COMMITTEE ACTION

MOTION

Commissioner Aliano moved that the Audit Committee elect Commissioner Navarro as Chair, which was seconded by Commissioner Pendleton and approved by the following vote: ayes, Commissioners Aliano, Navarro, Pendleton, and Tapia – 4; nays, none.

MOTION

Commissioner Pendleton moved that the Audit Committee elect Commissioner Tapia as Vice Chair, which was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Navarro, Pendleton, and Tapia – 4; nays, none.

2. CONTRIBUTIONS PROCESSES AUDIT AND POSSIBLE COMMITTEE ACTION

Ms. Erin Kenney, Departmental Audit Manager, and Mr. James Yeung, Internal Auditor, discussed the Contributions Processes Audit conducted in accordance with the calendar year 2015 Annual Audit Plan and Forecast. Mr. Yeung, Project Manager of the audit, stated that the overall objective of the audit was to evaluate the accuracy of member contributions received and administered by LAFPP. The specific objectives examined were to determine whether 1) member contribution amounts received by LAFPP were in accordance with authoritative documents 2) member accounts accurately reflected contribution deductions 3) service credit purchases were in accordance with authoritative documents, and 4) contributions were refunded in accordance with authoritative documents.

Mr. Yeung stated that the member contribution amounts received by LAFPP were accurate and that these contributions were accurately administered. Member contributions received by LAFPP were accurately calculated in accordance with authoritative documents and operating procedures. LAFPP accurately recorded contributions in member accounts, and generally administered service credit purchases in accordance with authoritative documents and in consideration of limitations with OnPoint, LAFPP's current pension administration system. Contributions were refunded in accordance with authoritative documents.

IAS made two recommendations, and LAFPP management indicated general agreement with the audit results and conclusions.

Commissioners Aliano, Pendleton and Tapia thanked the Audit Section for the report.

General Manager Ciranna referenced a letter from the City Administrative Officer (CAO) from 2002 and stated the Department will be working with the CAO to ensure that when an MOU is adopted and approved, information is reflective of the most recent MOU.

MOTION

Commissioner Aliano moved that the Audit Committee:

1. Review the Contributions Processes Audit; and,
2. Recommend that it be communicated to the Board to be reviewed, received, and filed, which was seconded by Commissioner Tapia and approved by the following vote: ayes, Commissioners Aliano, Pendleton, Tapia, and Chair Navarro – 4; nays, none.

3. COMMITTEE REVIEW OF STATUS UPDATE TO 2015 ANNUAL AUDIT PLAN AND FORECAST AND PROPOSED 2016 ANNUAL AUDIT PLAN AND FORECAST AND

POSSIBLE COMMITTEE ACTION

Ms. Erin Kenney, Departmental Audit Manager, discussed the status update to the 2015 Annual Audit Plan and Forecast (AAPF) followed by the proposed 2016 AAPF. Each year, Internal Audit Section (IAS) develops the Annual Audit Plan and Forecast (AAPF) to document the priorities of the internal audit activity as it relates to LAFPP's mission and goals; and this year, LAFPP published its Three-Year 2015-18 Strategic Plan further defining our mission and goals.

Ms. Kenney reported the status of the prior year's plan and discussed attachments I and II with the Board followed by an update on the current year's plan and discussion of attachment III with the Board.

MOTION

Commissioner Aliano moved that the Audit Committee:

1. Review the status update to the 2015 Annual Audit Plan and Forecast (AAPF); and,
2. Review the proposed 2016 AAPF and recommend it to the full Board for approval, which was seconded by Commissioner Tapia and approved by the following vote: ayes, Commissioners Aliano, Pendleton, Tapia, and Chair Navarro – 4; nays, none.

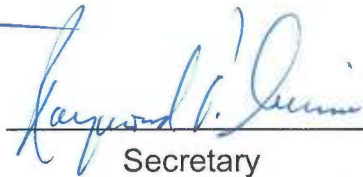
4. GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION

There was no public comment.

The meeting adjourned at 8:54 a.m.



Chair



Secretary