



BOARD OF ADMINISTRATION

Meeting Minutes - Final

FCERS and Police&Fire Retirement Plan Audit Committee

Thursday, October 15, 2020

1:30 PM

or immediately following the FCERS Board Meeting

MEETING TO BE HELD BY ZOOM CONFERENCE IN LIEU OF PHYSICAL LOCATION

Dial In: +1 669 900 9128

Meeting ID: 945 5413 3184

Password: 630987

FCERS Committee Members:

Mark Keleher, Chair

Julie Jennings, Trustee

Qianyu Sun, Trustee

Police and Fire Committee Members:

Franco Vado, Chair

Howard Lee, Trustee

Nick Muyo, Trustee

The Joint Federated and Police and Fire Audit Risk/Committee met via Zoom meeting on Thursday, October 15, 2020. The meeting was called to order at 1:50 p.m. by Trustee Keleher.

Staff Present via Zoom: Roberto Peña, Barbara Hayman, Benjie Chua-Foy, Linda Alexander, Michelle San Miguel and Marti Zarate.

Others Present via Zoom: John Caldwell and Angela Hans from Grant Thornton, LLP.

Present: 5 - Franco Vado, Howard Lee, Mark Keleher, Julie Jennings and Qianyu Sun

Absent: 1 - Nick Muyo

- **Call To Order**

FEDERATED AUDIT COMMITTEE

- **Consent Calendar**

A motion was made to approve the Consent Calendar.

Approved. (M.S.C. Jennings/Sun 3-0-0)

1. Approval of the 7/1/20-9/30/20 Quarterly Travel and attendance analysis for Federated.

JOINT AUDIT COMMITTEE

- **Consent Calendar**

A motion was made to approve the Consent Calendar.

Approved by Federated. (M.S.C. Keleher/Jennings 3-0-0)

Approved by Police and Fire. (M.S.C. Lee/Vado 2-0-0)

2. Approval of the Minutes of the August 20, 2020 Joint Audit Committee meeting for the Federated City Employee's Retirement System and the Police and Fire Retirement Plan.

- **New Business**

3. Update on the City Auditor's Recommendations to the Office of Retirement Services.

CEO Peña reported there is no update.

4. Discussion and action regarding Communication to the Board of Administration of the City of San Jose Police and Fire Department Retirement Plan and the Federated City Employees' Retirement system from Grant Thornton, LLP (GT) the Plan's external auditor:

- a. Independent auditor's report on the internal control over financial reporting and on compliance and other matters based on an Audit of Financial Statements performed in accordance with Government Auditing Standards and Management comments and recommendations.
- b. Required communications.

Item 4 and 5 were heard first and heard together.

John Caldwell and Angela Hans from Grant Thornton spoke to the item and answered questions from the Committee on the communication to the Board from the Plan's external auditor. Ms. Hans reviewed the timeline and key areas the audit was focused on. No significant issues were found. Grant Thornton will meet with their IT team to discuss risks associated with Common User Access at the Committee's request. CEO Peña thanked Grant Thornton and the Accounting Staff for their work. Ms. Chua-Foy also thanked Grant Thornton.

A motion was made to accept Grant Thornton's Audit Report and recommend approval to the Boards.

Approved by Federated. (M.S.C. Jennings/Sun 3-0-0) The motion passed unanimously.

Approved by Police and Fire. (M.S.C. Lee/Vado 2-0-0) The motion passed unanimously.

5. Discussion and action on the approval of the Federated City Employees' Retirement System's and the Police and Fire Department Retirement Plan's Comprehensive Annual Financial Reports for the

Fiscal Year 2019-2020.

Benjie Chua-Foy, Accounting Manager led the discussion on the Federated City Employees' Retirement System's and the Police and Fire Department Retirement Plan's Comprehensive Annual Financial Reports (CAFRs) for the Fiscal Year 2019-2020 and answered questions from the Committee. She reported there were no changes from prior years and no new accounting standards were adopted.

A motion was made to accept the Comprehensive Annual Financial Reports for the Fiscal Year 2019-2020 and recommend approval to the Boards.

Approved by Federated. (M.S.C. Jennings/Sun 3-0-0) The motion passed unanimously.

Approved by Police and Fire. (M.S.C. Lee/Vado 2-0-0) The motion passed unanimously.

POLICE & FIRE AUDIT COMMITTEE

- **Consent Calendar**

A motion was made to approve the Consent Calendar.

Approved. (M.S.C. Lee/Vado 2-0-0)

6. Approval of the Minutes of the May 21, 2020 Joint Audit Committee meeting for the Federated City Employee's Retirement System and the Police and Fire Retirement Plan. *(From the August 20th Joint Audit Committee meeting - No Quorum)*
7. Approval of the 4/1/20 - 6/30/20 Quarterly Travel and attendance analysis for Police and Fire. *(From the August 20th Joint Audit Committee meeting - No Quorum)*
8. Approval of the 7/1/20-9/30/20 Quarterly Travel and attendance analysis for Police and Fire.

Next Meeting: February 18, 2021

- **Adjournment**

The Federated meeting adjourned at 2:52 p.m.

The Police and Fire meeting adjourned at 2:54 p.m.

Minutes Recorded, Prepared and Respectfully submitted by,

Roberto L. Peña, CEO, Office of Retirement Services