BOARD OF ADMINISTRATION

Meeting Minutes - Final

Police & Fire Retirement Plan Audit/Risk Committee

City Hall
Wing Rooms 118-120
200 East Santa Clara Street,
San Jose, CA 95113

Thursday, August 15, 2019 | **11:30 AM** | **1737 N. First Street, Suite 580, 5th Floor Board Room, San Jose, CA 95112**

P&F COMMITTEE MEMBERS
Drew Lanza, Chair
Franco Vado
Eswar Menon
Andrew Gardanier, alternate

Roberto L. Peña, CEO, Office of Retirement Services

The Police and Fire Audit/Risk Committee met on Thursday, August 15, 2019 at City Hall Wing Rooms, 118-120, 200 E. Santa Clara St., San Jose, CA. The meeting was called to order at 11:34 a.m. by Trustee Lanza.

Staff Present: Roberto Peña, Barbara Hayman, Allain Mallari, Linda Alexander, Michelle San Miguel and Marti Zarate.

Others Present: Harvey Liederman, General and Fiduciary Counsel and Sue Ziegler, L.R.Wechsler

Present 3 - Andrew Lanza, Franco Vado, and Eswar Menon

- **Call To Order**

1. Old Business-Deferred/Continued Items

a. Update on the Pension Administration System Implementation project.

Barbara Hayman introduced Sue Ziegler from L.R. Wechsler. Ms. Ziegler gave a quarterly update on the Pension Administration System implementation project. Ms. Ziegler reported on the timeline of completion, current project status, activities since May and highlights for the next 90 days. The 2 remaining items being worked on are Member Direct and Measure F. The only change to the budget since the last report is the amount of change requests approved that went up from $136 to $176. The contract ends in March and there is still money in the budget if needed.

2. Consent Calendar

a. Approval of the Minutes of the May 16, 2019 Joint Audit Committee meeting for the Federated City Employee's Retirement System and the Police and Fire Retirement Plan.

A motion was made to approve the Minutes of the May 16, 2019 Joint Audit Committee meeting for the Federated City Employee's Retirement system and the Police and Fire Retirement Plan.

Approved. (M.S.C. Menon/Vado 3-0-0)

b. Approval of the 4/1/19-6/30/19 Quarterly Travel and attendance analysis for Police and Fire.

A motion was made to approve the 4/1/19-6/30/19 Quarterly Travel and attendance analysis for Police and Fire.

Approved. (M.S.C. Menon/Vado 3-0-0)

3. New Business

a. Discussion and action on the Internal Audit Charter and the Internal Audit Plan for 2019-2024.

CEO Peña introduced Allain Mallari, Senior Internal Auditor. Mr. Mallari reviewed the Internal Audit Charter and answered questions from the Committee. The charter provides guidelines on the nature and scope of the services and defines the expectations and limitations of the internal audit function. The Audit Committee will review the charter every 3 years to ensure it remains relevent to the needs of ORS and periodically recommend changes and amendments to the Board for approval. Staff recommends the adoption of the Internal Audit Charter.

Mr. Mallari continued with a discussion on the 5-year Internal Audit Plan and answered questions from the Committee. The plan details the audit projects for each fiscal year for five years including the preliminary scope. Any changes will be communicated to the Audit Committee, Boards and management for approval. Staff recommends the approval of the Internal Audit Plan.

A motion was made to approve the Internal Audit Charter with the correction to strike "and designated senior management" from the 1st sentence on page 5 under subsection F. 'Accountability'.
Approved. (M.S.C. Lanza/Menon 3-0-0)

A motion was made to approve the 5-year Audit Plan.
Approved. (M.S.C. Lanza/Menon 3-0-0)

• Adjournment

The meeting adjourned at 12:17 p.m.

Minutes Recorded, Prepared and Respectfully submitted by,

_____/S/_____
Roberto L. Peña, CEO, Office of Retirement Services