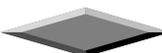


**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
RISK & AUDIT COMMITTEE**

MINUTES OF MEETING

March 13, 2012



The Risk & Audit Committee met on March 13, 2012, in the Robert F. Carlson Auditorium, Lincoln Plaza Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 3:02 p.m. and the following members were present:

JJ Jelincic, Chair
Priya Mathur, Vice Chair
Michael Bilbrey
Ralph Cobb for the Director of DPA
George Diehr
Rob Feckner
Henry Jones

Other Board Member(s):

Grant Boyken for Bill Lockyer
Richard Costigan
Terry McGuire for John Chiang

AGENDA ITEM 2 – ELECTION OF THE RISK & AUDIT COMMITTEE CHAIR AND VICE CHAIR

Priya Mathur called for nominations for the Chair of the Risk & Audit Committee. Rob Feckner nominated JJ Jelincic. No further nominations were made.

On **MOTION** by Mr. Feckner, **SECONDED** by Henry Jones and **CARRIED**, the Committee elected Mr. Jelincic as Chair of the Risk and Audit Committee by acclamation.

Mr. Jelincic called for nominations for the Vice Chair of the Risk & Audit Committee. George Diehr nominated Priya Mathur. No further nominations were made.

On **MOTION** by Mr. Diehr, **SECONDED** by Mr. Bilbrey and **CARRIED**, the Committee elected Ms. Mathur as Vice Chair of the Risk & Audit Committee by acclamation.

JJ Jelincic then requested that Vice Chairperson Priya Mathur chair the rest of the Risk & Audit Committee meeting.

AGENDA ITEM 3 – EXECUTIVE REPORT

Russell Fong, Acting Chief Financial Officer, presented the Executive Report to the Committee as an information item.

AGENDA ITEM 4 – CONSENT ITEMS

Mr. Fong presented the Consent Items to the Committee.

On **MOTION** by Henry Jones, **SECONDED** and **CARRIED**, the Committee approved the Action Consent Item 4a, “Approval of Meeting Minutes.”

The Committee accepted the Information Consent Items as presented.

AGENDA ITEM 5a – MANAGEMENT LETTER

Margaret Junker, Chief Auditor, Office of Audit Services, presented the Management Letter as an action item.

On **MOTION** by JJ Jelincic, **SECONDED** and **CARRIED**, the Committee accepted and recommended that the Board:

Accept the Draft Management Letter as prepared by Macias, Gini & O’Connell LLP for the fiscal year ended June 30th, 2011.

AGENDA ITEM 6a – PROPOSED PERSONAL TRADING REGULATIONS

Larry Jensen, Risk Officer, Enterprise Risk Management Division, presented the Proposed Personal Trading Regulations as an action item.

On **MOTION** by Rob Feckner, **SECONDED** and **CARRIED**, the Committee accepted and recommended that the Board:

Approve the Proposed Personal Trading Regulations with the inclusion that Board members will be included along with staff.

Board member JJ Jelincic voted no.

AGENDA ITEM 7a – RISK EXPOSURE REPORTS

Larry Jensen, Risk Officer, presented the report to the Committee as an information item.

AGENDA ITEM 8a – PUBLIC COMMENT

Public comment by Neal Johnson, SEIU 1000. Mr. Johnson addressed the Committee regarding the Proposed Personal Trading Regulations.

The meeting of the Risk & Audit Committee was adjourned at 3:47 p.m.

The next Risk & Audit meeting is scheduled for May 15, 2012, in Sacramento, California.

Date: _____

RUSSELL G. FONG
ACTING CHIEF FINANCIAL OFFICER