


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

MINUTES OF MEETING

March 17, 2015



The Risk & Audit Committee met on March 17, 2015, in the Robert F. Carlson Auditorium, Lincoln Plaza Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 1:45 p.m. and the following members were present:

Ron Lind, Vice Chair
Rob Feckner
JJ Jelincic
Priya Mathur
Bill Slaton
Theresa Taylor
Terry McGuire for Betty Yee

Other Board Member(s):

Dana Hollinger
Grant Boyken for John Chiang

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

Ron Lind called for nominations for the Chair of the Risk & Audit Committee. JJ Jelincic nominated Ron Lind. No further nominations were made.

On **MOTION** by Terry McGuire, **SECONDED** and **CARRIED**, the Committee elected Ron Lind as Chair of the Risk & Audit Committee.

Ron Lind called for nominations for the Vice Chair of the Risk & Audit Committee. Theresa Taylor nominated JJ Jelincic. No further nominations were made.

On **MOTION** by Terry McGuire, **SECONDED** and **CARRIED**, the Committee elected JJ Jelincic as Vice Chair of the Risk & Audit Committee.

AGENDA ITEM 3 – EXECUTIVE REPORT

Cheryl Eason, Chief Financial Officer, presented the oral report to the Committee as an information item.

AGENDA ITEM 4 – ACTION CONSENT ITEMS

The Committee accepted the Action Consent Items as presented.

On **MOTION** by Priya Mathur, **SECONDED** and **CARRIED**, the Committee approved the Action Consent Items.

AGENDA ITEM 5 – INFORMATION CONSENT ITEMS

The Committee accepted the Information Consent Items as presented.

AGENDA ITEM 6 – REVIEW OF THE RISK & AUDIT COMMITTEE DELEGATION

Cheryl Eason, Chief Financial Officer, presented the Risk & Audit Committee Delegation for Board consideration and approval at the April Board meeting.

On **MOTION** by JJ Jelincic, **SECONDED** and **CARRIED**, the Committee approved the Action Items.

AGENDA ITEM 7a – EXTERNAL AUDITOR’S MANAGEMENT LETTER

Young Hamilton, Acting Chief, Office of Audit Services, and Rick Green, of Macias Gini & O’Connell, presented the Draft Management Letter to the Committee as an action item.

On **MOTION** by Priya Mathur, **SECONDED** and **CARRIED**, the Committee recommended the Board accept the Draft Management Letter as prepared by Macias Gini & O’Connell LLP for the year ended June 30, 2014.

AGENDA ITEM 7b – THIRD-PARTY PARALLEL VALUATION AND CERTIFICATION OF THE JUDGES’ RETIREMENT SYSTEM, JUDGES’ RETIREMENT SYSTEM II, LEGISLATORS’ RETIREMENT SYSTEM AND 1959 SURVIVOR BENEFIT PROGRAM

Young Hamilton, Acting Chief, Office of Audit Services, and Bob McCrory and Timothy Doyle from Cheiron, the third-party actuarial firm, presented the valuations and certifications of the Judges’ Retirement System, Judges’ Retirement System II,

Legislators' Retirement System, and the 1959 Survivor Benefit Program as of June 30, 2013, as an action item.

On **MOTION** by Theresa Taylor, **SECONDED** and **CARRIED**, the Committee recommended that the Board accept the third-party valuations and certifications for the Judges' Retirement System, Judges' Retirement System II, Legislators' Retirement System, and the 1959 Survivor Benefit Program as of June 30, 2013.

AGENDA ITEM 7c – REVIEW OF FINAL PARALLEL ACTUARIAL AUDIT REPORT

Young Hamilton, Acting Chief, Office of Audit Services, and Bob McCrory and Timothy Doyle from Cheiron, presented the Final Parallel Actuarial Audit Report as an action item.

On **MOTION** by JJ Jelincic, **SECONDED** and **CARRIED**, the Committee recommended the Board accept the Final Parallel Actuarial Audit Report on the independent reviews of actuarial valuation for the various pension plans administered by CalPERS.

AGENDA ITEM 7d – REVISED REQUEST FOR PROPOSAL (RFP) – PARALLEL ACTUARIAL VALUATION SERVICES

Doug Hoffner, Deputy Executive Officer, Operations and Technology, presented the Revised Request for Proposal (RFP) - Parallel Actuarial Valuation Services as an action item.

On **MOTION** by JJ Jelincic, **SECONDED** and **CARRIED**, the Committee recommended the Board approve the release of a revised RFP seeking an external firm to provide parallel actuarial valuation and certification services to the Board of Administration.

AGENDA ITEM 8 – PUBLIC COMMENT

There was no public comment.

The meeting of the Risk & Audit Committee was adjourned at 2:30 p.m.

The next Risk & Audit Committee meeting is scheduled for June 16, 2015 in Sacramento, California.

Date: _____

CHERYL EASON
CHIEF FINANCIAL OFFICER