

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

MEETING MINUTES

June 18, 2019

The Risk & Audit Committee met on June 18, 2019, in the Robert F. Carlson Auditorium, Lincoln Plaza Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 11:26 a.m. and the following members were present:

David Miller, Vice Chair
Margaret Brown
Frank Ruffino for Fiona Ma
Lisa Middleton
Jason Perez
Lynn Paquin for Betty Yee

Other Board Member(s):

Rob Feckner
Henry Jones
Eraina Ortega
Ramon Rubalcava
Theresa Taylor

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

Henry Jones called for nominations for the Chair of the Risk and Audit Committee.

Lynn Paquin nominated David Miller for Chair. No further nominations were made for Chair.

On **MOTION** by Frank Rufino, **SECONDED** by Lisa Middleton and **CARRIED**, the Committee elected David Miller for Chair.

David Miller called for nominations for the Vice Chair of the Risk and Audit Committee.

Frank Rufino nominated Lisa Middleton for Vice Chair. No further nominations were made for Vice Chair.

On **MOTION** by Lynn Paquin, **SECONDED** by Margaret Brown and **CARRIED**, the Committee elected Lisa Middleton for Vice Chair.

AGENDA ITEM 3 – APPROVAL OF THE JUNE 18, 2019 RISK & AUDIT COMMITTEE TIMED AGENDA

On **MOTION** by Margaret Brown, **SECONDED** by Lynn Paquin, and **CARRIED**, the Committee approved the June 18, 2019 Risk & Audit Committee Timed Agenda.

AGENDA ITEM 4 – EXECUTIVE REPORT

Marlene Timberlake D'Adamo, Chief Compliance Officer, presented the oral report to the Committee.

ACTION CONSENT AGENDA ITEMS

AGENDA ITEM 5a – APPROVAL OF THE FEBRUARY 20, 2019 RISK AND AUDIT COMMITTEE MEETING MINUTES

On **MOTION** by Margaret Brown, **SECONDED** by Jason Perez, and **CARRIED**, the Committee approved the February 20, 2019 Risk and Audit Committee Meeting Minutes.

Lisa Middleton abstained.

AGENDA ITEM 6 – INFORMATION CONSENT AGENDA ITEMS

Margaret Brown pulled Agenda Item 6c, Quarterly Status Report – Office of Audit Services, for discussion.

The Committee accepted the Information Consent Items as presented.

AGENDA ITEM 7a – 2019-20 ENTERPRISE COMPLIANCE PLAN

Marlene Timberlake D'Adamo, Chief Compliance Officer, presented the 2019-20 Enterprise Compliance Plan.

On **MOTION** by Margaret Brown, **SECONDED** by Jason Perez and **CARRIED**, the Committee recommended the Board approve the 2019-20 Enterprise Compliance Plan.

AGENDA ITEM 7b – 2019-20 ENTERPRISE RISK MANAGEMENT PLAN

Forrest Grimes, Chief Risk Officer, presented the 2019-20 Enterprise Risk Management Plan.

On **MOTION** by Margaret Brown, **SECONDED** by Lisa Middleton and **CARRIED**, the Committee recommended the Board approve the 2019-20 Enterprise Risk Management Plan.

AGENDA ITEM 7c – 2019-20 OFFICE OF AUDIT SERVICES PLAN

Beliz Chappuie, Chief Auditor, presented the 2019-20 Office of Audit Services Plan.

On **MOTION** by Margaret Brown, **SECONDED** by Lynn Paquin and **CARRIED**, the Committee recommended the Board approve the 2019-20 Office of Audit Services Plan.

The following Agenda Items were heard out of order.

AGENDA ITEM 7e – APPROVAL TO SUBMIT PROPOSED AMENDMENTS TO THE PERSONAL TRADING REGULATION TO THE OFFICE OF ADMINISTRATIVE LAW

Marlene Timberlake D'Adamo, Chief Compliance Officer, presented the Approval to Submit Proposed Amendments to the Personal Trading Regulation to the Office of Administrative Law.

On **MOTION** by Margaret Brown, **SECONDED** by Lisa Middleton and **CARRIED**, the Committee recommended the Board approve the submission of the Proposed Amendments to the Personal Trading Regulation to the Office of Administrative Law.

AGENDA ITEM 7d – INDEPENDENT AUDITOR'S 2019-20 ANNUAL PLAN

Ms. Chappuie presented the Independent Auditor's 2019-20 Annual Plan.

On **MOTION** by Margaret Brown, **SECONDED** by Lisa Middleton and **CARRIED**, the Committee recommended the Board approve the Independent Auditor's 2019-20 Plan.

AGENDA ITEM 8a – THIRD PARTY VALUATION AND CERTIFICATION OF THE CONTRACTING PUBLIC AGENCY PLANS AS OF JUNE 30, 2017

Ms. Chappuie and Buck Global LLC, presented the Third Party Valuation and Certification of the Contracting Public Agency Plans as of June 30, 2017 as an Information Item.

AGENDA ITEM 8b – ENTERPRISE RISK MANAGEMENT FRAMEWORK REVIEW

Forrest Grimes, Chief Risk Officer, presented the Enterprise Risk Management Framework Review as an Information Item.

AGENDA ITEM 8c – SUMMARY OF COMMITTEE DIRECTION

For the Strategic Measure Dashboard, explore options to revise employer contribution measures that include the recognition of short, medium and long-term indicators. Such options to be brought back to the Committee for review.

AGENDA ITEM 8d – PUBLIC COMMENT

There was no public comment.

The meeting of the Risk and Audit Committee was adjourned at 12:26 p.m.

The next Risk & Audit Committee meeting is scheduled for September 17, 2019 in Sacramento, California.

Prepared by: Carrie Lewis
Committee Secretary

Date: _____

Marlene Timberlake D’Adamo
Chief Compliance Officer