

**ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM
2223 E. WELLINGTON AVENUE, SUITE 100
SANTA ANA, CALIFORNIA**

**AUDIT COMMITTEE MEETING
TUESDAY, MARCH 25, 2025
9:30 A.M.**

MINUTES

OPEN SESSION

Chair Lopez Tagaloa called the meeting to order at 9:31 a.m.

Recording Secretary administered the Roll Call attendance.

Attendance was as follows:

Present: Adele Lopez Tagaloa, Chair; Shari Freidenrich, Vice Chair; Iriss Barriga, Board Member; Charles Packard, Board Member

Also Present: Steve Delaney, Chief Executive Officer; David Kim, Assistant CEO of External Operations; Manuel Serpa, General Counsel; Philip Lam, Director of Internal Audit; Tracy Bowman, Director of Finance; Jenny Sadoski, Director of IT; Matt Eakin, Director of Cyber Security; Mark Adviento, Senior Internal Auditor; Jennifer Reyes, Finance Manager; Jenny Davey, Internal Auditor; Esther Hong, Internal Auditor; Anthony Beltran, Audio Visual Technician; Marielle Horst, Recording Secretary.

Guests: Kory Hoggan, Moss Adams.

PUBLIC COMMENT

None.

CONSENT AGENDA

C-1 APPROVE AUDIT COMMITTEE MEETING MINUTES

Audit Committee Meeting Minutes

February 11, 2025

MOTION by Mr. Packard, **seconded** by Ms. Barriga, to approve the Consent Items.

The motion passed **unanimously**.

C-2 HOTLINE UPDATE

Orange County Employees Retirement System
March 25, 2025
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Recommendation: Receive and file.

Mr. Lam informed the Committee that Internal Audit received one call on the hotline. This matter was investigated, but there were no substantiated findings, and the matter is closed.

INFORMATION ITEM

I-1 2024 FINANCIAL STATEMENT AUDIT – ENTRANCE CONFERENCE

Presentation by Kory Hoggan, Moss Adams

Ms. Bowman introduced Mr. Hoggan, who then provided an overview of the 2024 Financial Statement Audit, which begins in April 2025. Key audit areas will include: testing of controls, internal controls, analytical procedures, and substantive procedures.

Mr. Packard inquired if the audit would be performed on-site or remotely, to which Mr. Hoggan confirmed it will be a blend of both.

ACTION ITEMS

A-1 INDIVIDUAL ACTION ON ANY ITEM TRAILED FROM THE CONSENT AGENDA

None.

A-2 AUDIT REPORT – OCERS RETIREE PAYROLL PROCESS AUDIT

Presentation by Philip Lam, Director of Internal Audit, and Mark Adviento, Senior Internal Auditor

Recommendation: Receive and file.

Mr. Lam presented the Audit Report, noting there were 2 observations. The Committee questioned the payroll transmittal process and whether there are safeguards in place. Ms. Bowman provided insight on the process, confirming that it is secure.

Additionally, the Committee requested that audit samples contain new and existing benefits calculations.

A **MOTION** by Mr. Packard, **seconded** by Ms. Freidenrich, to approve staff's recommendation.

The motion passed **unanimously**.

A-3 AUDIT REPORT - ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION (LAFCO) EMPLOYER AUDIT

Presentation by Philip Lam, Director of Internal Audit, and Mark Adviento, Senior Internal Auditor

Recommendation: Receive and file.

Mr. Adviento presented the Audit Report, noting there were 4 observations. Mr. Adviento addressed follow-up questions from the Committee.

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A **MOTION** by Mr. Packard, **seconded** by Ms. Freidenrich, to approve staff's recommendation.

The motion passed **unanimously**.

The Committee adjourned to closed session at 10:57 am.

CLOSED SESSION

E-1 THREAT TO CRITICAL INFRASTRUCTURE INFORMATION RELATING TO CYBERSECURITY
(Government Code Section § 54957)
Consultation with OCERS Director of Cyber Security

Recommendation: Take appropriate action.

The Committee returned from Closed Session at 11:28 am.

Mr. Serpa reported that no reportable action was taken during closed session.

WRITTEN REPORTS

The following are written reports that will not be discussed unless a member of the Committee requests discussion.

R-1 MANAGEMENT ACTION PLAN VERIFICATION REPORT
Written Report

Mr. Packard expressed his satisfaction with the reduced number of open items reported. Mr. Delaney informed the Committee that action items are reviewed during the monthly Executive Management Meeting, which contributed to completing these matters.

R-2 STATUS UPDATE OF 2025 AUDIT PLAN
Written Report

COMMITTEE MEMBER/CHIEF EXECUTIVE OFFICER/STAFF COMMENTS
None.

ADJOURNMENT

Chair Lopez Tagaloa adjourned the meeting at 11:30 a.m.

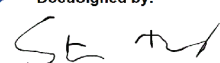
Submitted by:

Signed by:

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Philip Lam,
Committee Liaison

Submitted by:

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Steve Delaney,
Secretary to the Board

Approved by:

Signed by:

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Adele Lopez Tagaloa,
Chairperson