

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

**AUDIT COMMITTEE MEETING
MONDAY, DECEMBER 9, 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; Iriss Barriga; Board Member; Charles Packard, Board Member

Also Present: Steve Delaney, Chief Executive Officer; David Kim, Assistant CEO of External Operations; Brenda Shott, Assistant CEO of Internal Operations; Darren Dang, Chief Technology Officer; Manuel Serpa, General Counsel; Jeff Lamberson, Director of Member Services (via Zoom); Philip Lam, Director of Internal Audit; Jennifer Reyes, Director of Finance; Alex McDowell, Sr. Internal Auditor; Jenny Davey, Internal Auditor; Megan Cortez, Member Services Manager; Olga Gomez, Retirement Contribution Reconciliation Specialist; Michelle Pak, Audio Visual Technician; Marielle Horst, Recording Secretary.

Absent: Shari Freidenrich, Vice Chair

PUBLIC COMMENT

None.

CONSENT AGENDA

C-1 APPROVE AUDIT COMMITTEE MEETING MINUTES

Audit Committee Meeting Minutes

October 6, 2025

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

The motion passed **unanimously**.

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ACTION ITEMS

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

None.

A-2 AUDIT REPORT - FINANCE CONTRIBUTIONS

Presentation by Philip Lam, Director of Internal Audit

Recommendation: Receive and file.

Mr. Lam presented the Audit Report and noted one observation concerning the review process for system changes. Management agreed to implement an additional review using a new activity report.

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

The motion passed **unanimously.**

A-3 DEATH MATCH PROCESS REVIEW

Presentation by Philip Lam, Director of Internal Audit

Recommendation: Receive and file.

Mr. Lam reviewed the series of events that led to the discovery of issues with the Death Match Vendor. Since the discovery, an additional vendor has been engaged. The Audit Team reviewed the Member Services department procedures and initiated outreach to other agencies to confirm best practices.

Mr. Delaney recognized Ms. Gomez for her exceptional performance and critical thinking, as well as Mr. Lamberson for determining that the issue was systemic with the vendor. The Audit Committee expressed appreciation to staff for their efforts, and Chair Lopez Tagaloe directed Mr. Lam to incorporate the Death Match Review process into future audits.

The Committee inquired about the possibility of recovering funds, and Mr. Lamberson confirmed that recovery efforts are expected to be successful. Mr. Delaney informed the committee that an RFP for death match services is forthcoming and that new vendors will be vetted as part of the process.

Chair Lopez Tagaloe requested that the OCERS website be updated to include beneficiary and survivor information on the "Contact Us" page. Mr. Kim confirmed that this information is available on the website.

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

The motion passed **unanimously.**

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A-4 CONSIDERATION OF REVISED 2025 AUDIT PLAN

Presentation by Philip Lam, Director of Internal Audit

Recommendation: Approve recommended changes.

Mr. Lam reviewed the revised audit plan, noting two audits from the 2025 plan have been postponed to early 2026 due to staffing changes. Mr. Packard inquired whether the department is adequately staffed, and Mr. Lam confirmed that it is.

A **MOTION** was made by Ms. Barriga, **seconded** by Mr. Packard, to receive and file.

The motion passed **unanimously**.

INFORMATION ITEM

I-1 UPDATE ON THE OCERS COMPLIANCE PROGRAM

Presentation by Manuel Serpa, General Counsel

Mr. Serpa provided the compliance program update and noted that Ms. Hong is currently attending a training session. A statement from Ms. Hong was read to the Audit Committee.

The Compliance Activity Report included the status of Risk Assessment, AI Risk, Operational Risk Management, Training and Awareness, Ethics Training, Observations Management Program, Quarterly Compliance and Internal Audit Touchpoints, Control Monitoring, and Compliance Reporting.

Mr. Packard expressed that he would like Ms. Hong to attend conferences to enhance networking opportunities. Mr. Serpa confirmed that Ms. Hong is presently attending the most significant conference in the field. Additionally, AI risk assessment has been identified as a priority in her training.

WRITTEN REPORTS

R-1 MANAGEMENT ACTION PLAN VERIFICATION REPORT

Written Report

R-2 STATUS UPDATE OF 2025 AUDIT PLAN

Written Report

The committee adjourned to closed session at 10:51 a.m.

CLOSED SESSION

E-1 PUBLIC EMPLOYEE PERFORMANCE EVALUATION (GOVERNMENT CODE §54957(b))

Title: Director of Internal Audit

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Adjourn pursuant to Government Code section 54957(b) to evaluate the performance of the Director of Internal Audit

Recommendation: Take appropriate action.

The committee reconvened from closed session at 11:09 a.m.

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

COMMITTEE MEMBER COMMENTS

Chair Lopez Tagaloa expressed appreciation to Ms. Barriga for her service on the Audit Committee.

CHIEF EXECUTIVE OFFICER COMMENTS

None.

STAFF COMMENTS

Mr. Horst reviewed the 2026 calendar with the Audit Committee to identify upcoming meeting dates. Tentative dates were selected, subject to confirmation of Ms. Freidenrich's availability.

ADJOURNMENT

Chair Lopez Tagaloa adjourned the meeting at 11:10 a.m.

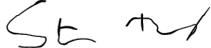
Submitted by:

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