

REVISED MOTION BY SUPERVISORS HILDA L. SOLIS
AND MARK RIDLEY-THOMAS

July 30, 2019

Audit of LACERA’s Administrative Operations, Travel and Training

The Los Angeles County Employees Retirement Association (LACERA) administers the retirement plan benefits for the employees of Los Angeles County and is the largest county pension system in the nation. LACERA's administrative budget is adopted annually, and the expenses are charged against the investment earnings of the pension plan. The administrative expenditures for Fiscal Year (FY) 2018 totaled approximately \$78 million. California travel expenditures totaled approximately \$900,000. It is important to continuously assess LACERA's travel and training operations given its fiduciary responsibility to the employees of the Los Angeles County.

WE, THEREFORE, MOVE that the Board of Supervisors:

1. Pursuant to its authority under Government Code section 31593, direct the County’s Auditor-Controller to conduct an audit of LACERA's processes and controls over their administrative operations, which would include, but not be

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SOLIS _____
RIDLEY-THOMAS _____
KUEHL _____
BARGER _____
HAHN _____

limited to, an analysis of LACERA's cost/budget increases, travel and training operations expenditures, including the processes and controls for reviewing and approving travel and training expenses, a review of sample expenditures for reasonableness and compliance with LACERA policies, and a travel and training and overall administrative expense comparison with to other retirement organizations and/or industry benchmarks to determine whether LACERA provides adequate stewardship over travel and training administrative funds, and report back to the Board in writing within 60 days. The Auditor-Controller should also evaluate whether additional targeted reviews would be beneficial after the completion of the subject review.

2. Direct the County's Sacramento advocates to take the necessary actions to submit to the State's Joint Legislative Audit Committee a request for an audit with a scope similar to the above directive.

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