

**Louisiana State Employees' Retirement System
Audit Committee Meeting
Thursday, December 13, 2018**

The Audit Committee of the Louisiana State Employees' Retirement System met on Thursday, December 13, 2018, in the fourth floor conference room of the Retirement Systems Building located at 8401 United Plaza Boulevard, Baton Rouge, Louisiana.

Ms. Virginia Burton, serving as Chair of the Committee in Ms. Lansing's absence, called the meeting to order at 12:30 p.m. Roll was called by Ms. Abby Partin, recording secretary.

Members Present: Mr. Thomas Bickham, Ms. Virginia Burton, Judge William Kleinpeter, Mr. Rick McGimsey*, Ms. Barbara McManus, Ms. Lori Pierce

Members Absent: Ms. Janice Lansing

Staff Present: Mr. Ryan Babin, Audit Director; Ms. Cindy Rougeou, Executive Director; Mr. Trey Boudreaux, Chief Administrative Officer; Ms. Tina Grant, Executive Counsel; Mr. Artie Fillastre, Chief Fiscal Officer; Ms. Beth Gordon, Executive Staff Officer; Ms. Abby Partin, recording secretary

Also Present: Ms. Shannon Templet, Ms. Amy Mathews, Ms. Lorry Trotter

A quorum was present and the meeting opened for business.

Public Comment

Ms. Burton called for public comment. No public comments were made.

Regular Business

Ms. Burton called for approval of the minutes of the September 27, 2018 Audit Committee Meeting. **Mr. Bickham moved, seconded by Judge Kleinpeter, to approve the minutes. With no objection or discussion, the motion passed.**

Mr. Babin reviewed the Fiscal Year Ending 2019 Audit Projects Status Report. Mr. Babin highlighted the JD Edwards User Security Review, stating that this project had been paused while an external audit was performed and it will now resume again. Mr. Babin also highlighted the Optimus Project Implementation (Phase 3), stating it was nearing the point of a recommendation being provided to management for review. He stated the overall status of the projects are on target and moving forward as expected.

New Business

Mr. Babin reviewed the Employer Pension Audit Report (GASB 68) for FYE 2018, which received an unqualified opinion – the highest level opinion that can be achieved. There were

no deficiencies or instances of non-compliance. **Judge Kleinpeter moved, seconded by Ms. McManus, to recommend the Board accept the Employer Pension Audit Report (FASB 68) for FYE 2018, as presented. With no objection or discussion, the motion carried.**

Mr. Babin presented the annual closed items report.

Mr. Babin reviewed the Audit Committee satisfaction survey results. Mr. Babin stated all responses received were positive, and no additional comments were made.

Mr. Babin reported that the quarterly customer service evaluation survey received no responses.

*Mr. McGimsey entered the meeting at 12:38 p.m.

Mr. Babin reviewed the executive summary of audit reports. The report included summaries of the following projects:

- 1708 Optimus Project Implementation
- 1907 University of Louisiana at Monroe (ULM) (External Review)
- 1909 Department of Public Safety (DPS) (External Review)
- 1912 Internally Managed Portfolio Review
- 1921 Audit Charter and Policy Compliance Review

Mr. Babin stated that he reports to a level within the organization that allows the internal audit activity to fulfill its responsibilities. Furthermore, he confirms to the audit committee that the internal audit activity continues to maintain its organizational independence.

Audit Director's Comments

Mr. Babin had no additional comments.

Executive Director's Comments

Ms. Rougeou stated that it is easy to work with Mr. Babin and LASERS is lucky to have him. She asked that Mr. Babin re-establish contact with Southern University's audit division to address outstanding closed items. Ms. Rougeou is optimistic about the meeting, as Southern University has a new Audit Director and she hopes things can move forward in a positive direction.

Other Business

No other business was discussed.

Adjournment

The meeting adjourned at 12:50 p.m.