

BOARD OF GOVERNORS

Audit Committee Meeting Minutes – January 21, 2020

1055 W. 7th Street, Los Angeles, CA 90017

Members

Alvaro Ballesteros, *Chairperson*
Layla Gonzalez
Stephanie Booth, MD*

Management/Staff

John Baackes, *Chief Executive Officer*
Augustavia J. Haydel, Esq., *General Counsel*
Marie Montgomery**, *Chief Financial Officer*

* Absent ** Teleconference



L.A. Care

HEALTH PLAN

Guests

Khurram Siddiqui, *Partner, Deloitte & Touche*
Angelica Kocharova, *Audit Sr. Manager, Deloitte & Touche*

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
CALL TO ORDER Alvaro Ballesteros	Alvaro Ballesteros, <i>Committee Chair</i> , called the meeting to order at 1:04 pm. He announced that members of the public may address the Committee on each matter listed on the agenda before or during the Committee's consideration of the item, or on any other topic at the Public Comment section.	
PUBLIC COMMENT	There were no public comments.	
APPROVE MEETING AGENDA Alvaro Ballesteros	Today's Agenda was approved as submitted.	Approved unanimously. 2 AYES (Ballesteros and Gonzalez)
APPROVE MEETING MINUTES Alvaro Ballesteros	The August 20, 2019 meeting minutes were approved as submitted.	Approved unanimously. 2 AYES
CHAIRPERSON'S REPORT	There was no report from the Chairperson.	
CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER REPORT	Marie Montgomery, <i>Chief Financial Officer</i> , summarized the materials sent to the Committee prior to the meeting.	

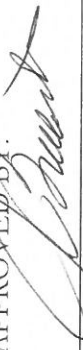
APPROVED

AGENDA ITEM/PRESENTER COMMITTEE ISSUES	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
<p>Review of Audit Report for FY 2017-18</p>	<p>Khurram Siddiqui and Angelica Kocharova, of <i>Deloitte & Touche (D&T)</i>, referenced the documents provided in the meeting packet. There were no significant changes to accounting policies. The incurred but not reported (IBNR) claims were reviewed by D&T actuary and L.A. Care estimates were close to the mid-point.</p> <p>D&T also closely reviewed provider claim settlements and talked to legal counsel. An estimated \$30 million has been set aside.</p> <p>A review of the fair value of investments and revenue assumptions was also conducted and the resulting estimates were agreed to by D&T and L.A. Care. There were no disagreements, no questions with management regarding the financial statements. D&T received full cooperation and appreciated the easy availability of L.A. Care management.</p> <p>Motion AUD A.0119 To accept the findings of the Deloitte & Touches' audit of L.A. Care's financial statements for the fiscal year ended September 30, 2019, as presented.</p>	<p>Approved unanimously. 2 AYES</p>
<p>2020-21 Audit Planning</p>	<p>Ms. Montgomery reported that the committee has previously directed staff to conduct a competitive bidding (RFP) process to invite other firms to propose providing audit services to L.A. Care. Staff has agreed to go forward with an RFP, but due to unique circumstances in 2019, Deloitte continued as the outside auditor for one more year. An RFP will be conducted for the 2019-20 Fiscal Year audit.</p> <p>Ms. Montgomery also noted that this committee typically would have planning meeting in July but may need to be earlier with a new firm. Finance will put together a timeline in order to complete the audit on time.</p>	
<p>COMMITTEE CHAIR ELECTION Augustavia J. Haydel, Esq.</p>	<p>The election was tabled to a future meeting.</p>	

APPROVED

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
ADJOURNMENT	The Chair adjourned the meeting at 11:30 am.	

Respectfully submitted by:
 Victor Rodriguez, *Board Specialist II*
 Linda Merkens, *Senior Manager, Board Services*

APPROVED BY: 
 Al Ballesteros, MBA, *Interim Chairperson*
 Date Signed: 6-18-2020

APPROVED