

**STATE COMPENSATION INSURANCE FUND
AUDIT COMMITTEE**

MINUTES OF OPEN SESSION MEETING

November 15, 2017

The Audit Committee met on November 15, 2017 at the State Fund Pleasanton Office, 5890 Owens Drive (Pacific and Atlantic rooms), Pleasanton, California.

AGENDA ITEM 1: CALL TO ORDER AND ROLL CALL

The meeting was called to order at 2:00 p.m. and the following Members were present: Scott K. Reid (Chair); Sheryl A. Chalupa; Senator Michael J. Machado (Ret.); Steven L. Rank; and William M. Zachry.

There was a quorum.

Also present: President and CEO Vernon L. Steiner; General Counsel and Corporate Secretary Margie R. Lariviere; Chief of Internal Affairs Dante Robinson; Board Liaison and Assistant Corporate Secretary Hilda B. Padua; and Counsel and Assistant Corporate Secretary Judith D. Sapper.

AGENDA ITEM 2: ANTITRUST ADMONITION

Mr. Reid called attention to and requested confirmation that the Audit Committee members read State Fund's Antitrust Admonition, which is included in each Committee member's meeting materials.

AGENDA ITEM 3: CONSENT CALENDAR

- 3a. Approval of August 29, 2017 Open Meeting Minutes**
- 3b. Review and Approval of 2018 Audit Committee Meeting Schedule and Location**
- 3c. Review and Approval of 2018 Audit Committee Agenda Items**
- 3d. Ratification of Engagement of External Auditor for 2018 Audit**

Mr. Reid asked whether any Committee member had any comments on the items on the Consent Calendar of which there were none.

Mr. Reid called for a Motion.

MOTION: Ms. Chalupa

SECOND: Mr. Machado

To approve the Consent Calendar as presented.

Mr. Reid requested public comment of which there was none. Mr. Reid called for the vote.

YES: 5

NO: 0

Abstain: 0

Motion carried.

AGENDA ITEM 4: COMPLETED CLOSED AUDITS

Mr. Reid noted that this item is read only, unless questions. Mr. Reid asked Chief of Internal Affairs Mr. Robinson if there was any new information from the time the report was published. Mr. Robinson noted that the report is current and there are no changes.

AGENDA ITEM 5: WHISTLEBLOWER HOTLINE

Mr. Reid noted that this item is read only, unless questions. He asked Executive Vice President and Chief Administrative Officer Andreas Acker and Vice President of HR Connect Patrick Gage if there was any new information from the time the report was published. Mr. Acker and Mr. Gage noted that the report is current and there are no changes. Discussion ensued on reports of sexual harassment. Mr. Gage noted there has been no uptick in harassment matters despite recent publicity on the topic.

AGENDA ITEM 6: PUBLIC COMMENT ON APPROPRIATENESS OF CLOSED SESSION FOR ITEMS 9 THROUGH 14

Mr. Reid requested public comment on the appropriateness of Closed Session Agenda Items 9 through 14, of which there was none.

AGENDA ITEM 7: PUBLIC COMMENT

Mr. Reid requested other public comment, of which there was none. The Audit Committee immediately convened into Closed Session at 2:10 p.m.

AGENDA ITEM 15: CALL TO ORDER AND ROLL CALL

The meeting reconvened at 4:10 p.m. following the conclusion of the Closed Session and the following Members were present: Scott K. Reid (Chair); Sheryl A. Chalupa; Sen. Michael J. Machado (Ret.); Steven L. Rank; and William M. Zachry.

There was a quorum.

Also present: President and CEO Vernon L. Steiner; General Counsel and Corporate Secretary Margie R. Lariviere; Chief of Internal Affairs Dante Robinson; Board Liaison and Assistant Corporate Secretary Hilda B. Padua; and Counsel and Assistant Corporate Secretary Judith D. Sapper.

AGENDA ITEM 16: COMMITTEE MEMBER PRESENTATIONS

Mr. Reid requested presentations from the Committee members, of which there were none.

AGENDA ITEM 17: PROPOSALS AND SUGGESTIONS FOR FEBRUARY 21, 2018 AGENDA

Mr. Reid requested suggestions for agenda items for the February 21, 2018 Audit Committee meeting other than the standing agenda items, of which there were none.

Mr. Reid requested public comment, of which there was none, and he noted that the next Audit Committee meeting is scheduled for February 21, 2018 at the State Fund Office, Pleasanton, California unless noticed for a new date and time.

ADJOURNMENT

There being no further business before the Audit Committee, the meeting adjourned at 4:15 p.m.

Respectfully submitted,

Hilda B. Padua
Board Liaison and Assistant Corporate Secretary