

**STATE COMPENSATION INSURANCE FUND  
AUDIT COMMITTEE**

**MINUTES OF OPEN SESSION MEETING**

**August 15, 2018**

The Audit Committee met on August 15, 2018 at the State Fund San Francisco Office, 333 Bush Street (Board room), San Francisco, California.

**AGENDA ITEM 1: CALL TO ORDER AND ROLL CALL**

The meeting was called to order at 8:00 a.m. and the following Members were present: Scott K. Reid (Chair); Sheryl A. Chalupa; Senator Michael J. Machado (Ret.); and William M. Zachry.

Steven L. Rank was absent.

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; Chief Financial Officer Peter Guastamachio; 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 May 23, 2018 Open Meeting Minutes**

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: Mr. Zachry

SECOND: Sen. 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: 4

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 was current and there were no changes.

In addition, Mr. Robinson reported that the California Department of Insurance (CDI) has completed its Triennial audit report and there were no adjustments to the financial statements. Mr. Robinson acknowledged and thanked all the staff of the Finance team for the job well done.

#### **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 was current and there were no changes.

#### **AGENDA ITEM 6: PUBLIC COMMENT ON APPROPRIATENESS OF CLOSED SESSION FOR ITEMS 9 THROUGH 12**

Mr. Reid requested public comment on the appropriateness of Closed Session Agenda Items 9 through 12, 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 8:05 a.m.

#### **AGENDA ITEM 13: CALL TO ORDER AND ROLL CALL**

The meeting reconvened at 9:20 a.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; Chief Financial Officer Peter Guastamachio; Board Liaison and Assistant Corporate Secretary Hilda B. Padua; and Counsel and Assistant Corporate Secretary Judith D. Sapper.

#### **AGENDA ITEM 14: COMMITTEE MEMBER PRESENTATIONS**

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

#### **AGENDA ITEM 15: PROPOSALS AND SUGGESTIONS FOR NOVEMBER 14, 2018 AGENDA**

Mr. Reid requested suggestions for agenda items for the November 14, 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 November 14, 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 9:25 a.m.

Respectfully submitted,

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Hilda B. Padua  
Board Liaison and Assistant Corporate Secretary