

Minutes of the Audit, Risk and Compliance Committee Meeting

Tuesday, April 30, 2024, 1:18 p.m.

Board Room, 30 North 3rd St., Harrisburg, PA 17101

Also available via Microsoft Teams and Livestream Access

Attendees:

Audit, Risk and Compliance Committee Members and Designees:

Christopher Craig, Designee for Treasurer Garrity
Seamus Dubbs, Designee for Secretary Spicher
Treasurer Stacy Garrity, Committee Chair
Jeffrey Soderstedt, Designee for Secretary Spicher
Jill Vecchio, Designee for Representative Miller
Thomas Waters, Designee for Treasurer Garrity

Other Board Members and Designees:

Senator John DiSanto
Charles Erdman, Designee for Senator DiSanto
W. Russell Faber
Representative Dan Frankel
Matt Lindsay, Designee for Senator Hughes
Gregory Thall, Board Chairman

SERS Staff:

Kelly Bernhard
Beth Christian
Cindy Collins
Jo Ann Collins
Brenda Cunard
Thomas Derr
Mark Farina
Taylor Frey
Randy Gilson
Pam Hile
N. Joseph Marcucci
Katie Mathews
Ryan McCoy
Michael McGeoy
Sara McSurdy
Cathy Nolan
James Nolan
Jon Ryan
Brett Shaffer

Steven Skoff
Matthew Soule
Joseph Torta
Cara Trego
Mark Walter
Sheila Willrich
Shannon Zimmerman

1. Call to Order

Prior to the meeting starting, the Committee members were informed that the meeting would be recorded. Treasurer Garrity, Committee Chair, called the meeting to order at 1:18 p.m.

2. Welcome and Roll Call

Mr. McCoy, Internal Audit Director, took a roll call stating a quorum was present.

3. Approval of Minutes

Treasurer Garrity presented the minutes from the February 27, 2024 Audit, Risk and Compliance Committee meeting to the committee.

Motion:

By motion that was moved by Treasurer Garrity and approved unanimously by committee members, it was;

RESOLVED: That this committee approves the meeting minutes from the February 27, 2024, Audit, Risk and Compliance Committee meetings.

4. Old Business – **Audit, Risk and Compliance Committee Charter Update – Mr. McCoy reviewed the updates made to the Audit, Risk and Compliance Committee Charter from the approved version from the February special meeting of the Audit, Risk and Compliance Committee.**

Motion:

By motion that was moved by Treasurer Garrity and approved unanimously by committee members, it was;

RESOLVED: This committee recommend to the State Employees' Retirement Board that it approves the amendments to the Audit, Risk and Compliance Committee charter, as set forth in the attached, after the Board receives input from the Board Governance and Personnel Committee.

5. Special Presentations – None

6. New Business – **Internal Audit Office Charter Update – Mr. McCoy reviewed the Internal Audit Office Charter with the Audit, Risk and Compliance Committee. The Internal Audit Office Charter was created to model and fulfill the requirement of the Institute of Internal Auditors Standards.**

Motion:

By motion that was moved by Treasurer Garrity and approved unanimously by committee members, it was;

RESOLVED: That this committee recommends to the Board Governance and Personnel Committee that it concurs with this Committee's recommendation and so informs the State Employees' Retirement Board; and to the State Employees' Retirement Board that it approves and adopts the State Employees' Retirement System's Internal Audit Office Charter.

New Business – State Employees' Retirement Board Compliance and Ethics Program Charter – The last item of new business was a review of the Compliance and Ethics Program Charter.

Motion:

By motion that was moved by Treasurer Garrity and approved unanimously by committee members, it was;

RESOLVED: That this committee recommends to the Board Governance and Personnel Committee that it concurs with this Committee's recommendation and so informs the State Employees' Retirement Board; and to the State Employees' Retirement Board that it approves and adopts the State Employees' Retirement System's Board Compliance and Ethics Program Charter.

7. Executive Session

At 1:39 p.m., the Committee then entered into executive session to review and discuss committee business which, if conducted in public, would violate a lawful privilege, or lead to the disclosure of information that is confidential or protected by law, or that is otherwise allowed under the Sunshine Act to be conducted in a closed meeting. The topics covered in executive session included:

- Internal Control and Policy/Procedure Gap Assessment Update
- Independent Actuary Replication Services

8. Public Session Resumes – Treasurer Garrity put forth a motion for approval of the Independent Actuary Replication Services.

Motion:

By motion that was moved by Treasurer Garrity and approved unanimously by committee members, it was;

RESOLVED: That this committee recommend to the State Employees' Retirement Board that it approve the procurement of Independent Actuary Replication services under Request For Proposal "SERS - RFP 23-023" from the Offeror selected in accordance with the Commonwealth Procurement Code and the Department of General Services' policies, procedures, and guidelines for procurement of services. Consistent with Procurement Code requirements, the selected Offeror will be announced upon completion of successful contract negotiations.

9. Committee Comments/Concerns/Questions – None

10. Motion to Adjourn

By motion that was moved and approved unanimously by committee members, it was;

RESOLVED: That this meeting be adjourned at 1:53 p.m.

Respectfully submitted,



Ryan P. McCoy, CIA
Internal Audit Director