

**Minutes of the Audit, Risk and Compliance Committee Meeting**

**Tuesday, February 23, 2021**

*Meeting held via Microsoft Teams with Livestream Access*

**Attendees:**

**Audit, Risk and Compliance Committee Members and Designees:**

Glenn Becker  
Susan Boyle, Designee for Representative Schemel  
Christopher Craig, Designee for Treasurer Garrity  
Lloyd Ebright, Designee for Treasurer Garrity  
Treasurer Stacy Garrity, Committee Assistant Chair  
Representative Paul Schemel  
Mary Soderberg  
Gregory Thall, Committee Chair  
Jill Vecchio, Designee for Representative Schemel

**Other Board Members and Designees:**

James Bloom, Designee for Secretary Vague  
Alan Flannigan, Designee for Secretary Vague  
Gregory Jordan  
Patrick Shaughnessy, Designee for Representative Frankel

**SERS Staff:**

Rose Agnew  
Kathrine Bates  
Don Bell  
Kathleen Bernhard  
Dhanashree Chitnis  
Michele Crow  
Thomas Derr  
Christopher Houston  
Seth Kelly  
Dan Krautheim  
Joe Marcucci  
Jeff McCormick  
Ryan McCoy  
Michael McGeoy

Sara McSurdy  
Jeffrey Meyer  
James Nolan  
Terri Sanchez  
Jay Stoup  
Joseph Torta

**1. Call to Order**

Prior to the meeting starting, the Board members were informed that the meeting would be recorded with the exception of executive session discussion. At 12:59 p.m., Ms. Sanchez, Board Secretary, called the meeting to order.

**2. Welcome New Committee Members and Roll Call**

Ms. Sanchez welcomed new committee members and Ms. Lynn took roll call noting a quorum was present.

**3. Election of Audit, Risk and Compliance Committee Chair**

Ms. Sanchez requested nominations for the position of Committee Chair. Upon unanimous election of Mr. Gregory Thall as Committee Chair, Mr. Thall assumed the position and conducted the meeting.

**4. Approval of Minutes**

Committee Chair Thall presented the minutes provided to the Committee.

**Motion:**

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

RESOLVED: That this Committee approves the meeting minutes from the December 1, 2020, meeting.

**4. Old Business – None**

**5. Special Presentations – None**

**7. New Business**

**Action 1** – Committee Chair Thall appointed Treasurer Stacy Garrity for the position of Assistant Chair. The Committee unanimously consented to the appointment and Treasurer Garrity accepted the nomination.

**Action 2** – Ms. Lynn briefly reviewed the 2021 Committee Work Plan noting new items added to the plan including the procurement of independent auditors. The first Evaluation Committee meeting for that procurement will be held on February 26, 2021.

**Action 3** – Mr. Houston briefly reviewed the revised Audit, Risk and Compliance Committee Charter. Revisions included necessary changes as a result of the enactment of Act 2020-128, on November 25, 2020, which amended §5902 of the *State Employees' Retirement Code*, pertaining to the internal control audit process. Other charter revisions are a result of the recent SERS reorganization and other minor technical corrections.

**Motion:**

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

RESOLVED: That this Committee recommends: (i) to the State Employees' Retirement Board that it approve the amendments to the Audit, Risk, and Compliance Committee charter, as set forth in the attached, after receiving input from the Board Governance and Personnel Committee, and (ii) to the Board Governance and Personnel Committee that it concurs with this committee's recommendation and so inform the State Employees' Retirement Board.

**Informational Item** – Policies and procedures of Internal Audit and the Compliance Office – A memo provided the required information per Section E of the Audit, Risk and Compliance Committee Charter, under Other Responsibilities, Item 2.

**8. Executive Session**

At 1:17 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. The topics covered in executive session included:

- Results of the 2020 Network Vulnerability Study
- Update on Chief Information Security Officer Program
- Acting Chief Compliance Officer update – Quarterly Report as of December 31, 2020
- Acting Chief Compliance Officer 2021 Performance Goals
- Review of Investment Manager Fee Validation
- Review of Due Diligence Performed on Board Approved Investments for the Period December 2020
- Review of 2021 Agency Risk Assessment and 2021 Internal Audit Projects and Goals

**9. Committee Meeting Resumes**

At 2:50 p.m., the Committee meeting resumed in public session.

10. **Committee Comments/Concerns/Questions** – None

11. **Motion to Adjourn**

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

RESOLVED: That this meeting be adjourned at 2:51 p.m.

Respectfully submitted,

*Karen A. Lynn*

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Karen A. Lynn, CPA  
Internal Audit Director