

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

**Thursday, September 22, 2022, 2:00 p.m.**

*Board Room, 30 North 3<sup>rd</sup> St., Harrisburg, PA 17101*

*Also available via Microsoft Teams and Livestream Access*

**Attendees:**

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

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

**Other Board Members and Designees:**

Dave Fillman  
Greg Jordan  
Matt Lindsay, Designee for Senator Vincent Hughes  
Patrick Shaughnessy, Designee for Representative Frankel

**SERS Staff:**

Rose Agnew  
Katie Bates  
Don Bell  
Kelly Bernard  
Cynthia Collins  
Jo Ann Collins  
Brenda Cunard  
Tom Derr  
Randy Gilson  
Pam Hile  
Dan Krautheim  
Karen Lynn  
N. Joseph Marcucci  
Katie Mathews  
Ryan McCoy

Michael McGeoy  
Sara McSurdy  
Jeffrey Meyer  
James Nolan  
Jonathan Ryan  
Jay Stroup  
Joseph Torta  
William Truong  
Mark Walters

**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. Committee Chair Treasurer Garrity called the meeting to order.

**2. Welcome and Roll Call**

Ms. Lynn took roll call stating a quorum was present.

**3. Approval of Minutes**

Treasurer Garrity presented the minutes provided to the committee.

**Motion:**

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

RESOLVED: That this committee approves the meeting minutes from the June 3, 2022, Audit, Risk and Compliance Committee meeting.

**4. Old Business – None**

**5. Special Presentations – None**

**6. New Business – None**

**7. Executive Session**

At 2:02 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 Audit Update including:
  - SERS System and Organization Controls Report (SOC) Preparation
  - SERS 2022 Enterprise Risk Management Report (ERM)

- Chief Information Security Officer Update including:
  - SERS 2022 Network Vulnerability Assessment
  - Security Program Assessment by Verizon
  - Cybersecurity Liability Insurance
- Chief Compliance Officer Update for Quarter Ending June 30, 2022
- Review of Due Diligence Performed on Board Approved Investments for the Period June-July 2022

#### **8. Committee Meeting Resumes**

At 2:53 p.m., the committee meeting resumed in public session.

#### **9. Committee Comments/Concerns/Questions**

The Treasurer stated that the value of liability insurance has been diluted recently and more research is needed to determine a path forward. She requested Dr. Stroup to reach out to the Chief Information Security Officers for both Treasury and PSERS to jointly discuss the evolving cybersecurity liability landscape and continue this discussion with the Committee at the December 2022 Audit, Risk and Compliance Committee meeting.

#### **10. Motion to Adjourn**

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

RESOLVED: That this meeting be adjourned at 2:54 p.m.

Respectfully submitted,

*Karen A. Lynn*

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Karen A. Lynn, CPA  
Internal Audit Director