

Minutes of the Audit, Risk and Compliance Committee Meeting

Monday, December 5, 2022, 1:19 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:

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

Other Board Members and Designees:

James Bloom, Designee for Secretary Vague
Senator John DiSanto
Charles Erdman, Designee for Senator DiSanto
Dave Fillman
Greg Jordan
Matt Lindsay, Designee for Senator Vincent Hughes
Eric Pistilli, Designee for Secretary Vague

SERS Staff:

Rose Agnew
Katie Bates
Don Bell
Kathleen Bernhard
Cynthia Collins
Jo Ann Collins
Tom Derr
Randy Gilson
Dan Krautheim
Karen Lynn
N. Joseph Marcucci
Katie Mathews
Ryan McCoy
Michael McGeoy
Sara McSurdy
Jeffrey Meyer
James Nolan
Jonathan Ryan

Brett Shaffer
Mathew Soule
Jay Stroup
Joe Torta
Cara Trego
William Truong
Mark Walters

Presenters:

Eric Forkner, Partner, KPMG LLP
Craig Swallow, Managing Director

1. Call to Order

Prior to the meeting starting, the Committee members were informed that the meeting would be recorded. Lloyd Ebright, designee for 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

Mr. Ebright presented the minutes provided to the committee.

Motion:

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

RESOLVED: That this committee approves the meeting minutes from the September 22, 2022, Audit, Risk and Compliance Committee meeting.

4. Old Business – None**5. Special Presentations – None****6. New Business – None****7. Executive Session**

At 1:23 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:

- Chief Compliance Officer Update for Quarter Ending September 30, 2022
- Internal Audit Update on SOC Audit
- Review of Due Diligence Performed on Board Approved Investments for the Period September 2022
- Results of Green Book/COSO Internal Control Review for 2022

- Chief Information Security Officer Update on Cyber Insurance
- KPMG's 2022 Audit Plan and Strategy – Report to the Audit, Risk and Compliance Committee

8. Committee Meeting Resumes

At 2:27 p.m., the committee meeting resumed in public session.

9. Committee Comments/Concerns/Questions

Ms. Lynn and Mr. Ebright asked for Committee member volunteers to sit on the evaluation committee for an upcoming procurement for an independent accounting firm. A firm is needed to perform a pre-risk assessment review of SERS' internal control policy and procedure documentation covering the internal controls that support the 14 control objectives identified for the 2025 SOC 1 Type 2 examination of SERS.

Committee Chair Treasurer Garrity will spearhead the procurement evaluation committee. Ms. Soderberg and Mr. Thall volunteered their participation on the evaluation committee which is expected to review independent accounting firm proposals in the Spring of 2023.

10. Motion to Adjourn

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

RESOLVED: That this meeting be adjourned at 2:28 p.m.

Respectfully submitted,



Karen A. Lynn, CPA
Internal Audit Director