

Minutes of the Audit, Risk and Compliance Committee Meeting

Tuesday, December 5, 2023, 1:15 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
Lloyd Ebright, Designee for Treasurer Garrity
Treasurer Stacy Garrity, Committee Chair
Michael Heckmann, Designee for Representative Miller
Representative Brett Miller
Gregory Thall, Board Chairman
Jill Vecchio, Designee for Representative Miller
Thomas Waters, Designee for Treasurer Garrity

Other Board Members and Designees:

Senator John DiSanto
Seamus Dubbs, Designee for Interim Acting Secretary Spicher
Donald Enders
Charles Erdman, Designee for Senator DiSanto
Gregory Jordan
Matt Lindsay, Designee for Senator Hughes
Jeffrey Soderstedt, Designee for Interim Acting Secretary Spicher

SERS Staff:

Kathleen Bernhard
Beth Christian
Cynthia Collins
Jo Ann Collins
Brenda Cunard
Thomas Derr
Mark Farina
Pam Hile
Dan Krautheim
N. Joseph Marcucci
Katie Mathews
Ryan McCoy
Michael McGeoy
Sara McSurdy
Jeffrey Meyer
Catherine Nolan

James Nolan
Kara O'Donnell
Jon Ryan
Brett Shaffer
Dana Shettel
Steven Skoff
Matthew Soule
Jay Stroup
Joseph Torta
Cara Trego
William Truong
Mark Walter
Sheila Willrich

KPMG LLP:

Eric Forkner, Partner
Lindsey Hoff, Senior Manager

1. Call to Order

Prior to the meeting starting, the committee members were informed that the meeting would be recorded. Mr. Christopher Craig, Committee Chair Treasurer Garrity's designee, called the meeting to order.

2. Welcome and Roll Call

Mr. McCoy took roll call stating a quorum was present.

3. Approval of Minutes

Mr. Craig presented the minutes to the committee.

Motion:

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

RESOLVED: That this committee approves the meeting minutes from the September 19, 2023, Audit, Risk and Compliance Committee meeting.

4. Old Business – None**5. Special Presentations – None**

6. New Business – Audit, Risk, and Compliance Committee Charter Draft Discussion - At the December 5, 2023 Audit, Risk and Compliance Committee meeting, the committee discussed proposed changes recommended by the Committee Chair to its charter. The Committee Chair requested that the Committee members review the proposed changes to the charter for recommendation of approval to both the full Board and the Board Governance and Personnel Committee. These proposed changes were not acted upon by the Committee. At a future meeting, the Board will be asked to vote to approve the proposed changes.

7. Executive Session

At 1:33 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:

- KPMG's 2023 Audit Plan and Strategy – Report to the Audit, Risk, and Compliance Committee
- Internal Audit Office Update
 - Review of Proposed 2024 Audit Plan
 - Internal Control and Policy/Procedure Gap Assessment Update
- Chief Compliance Officer Update
 - Quarterly Report as of September 30, 2023
- Chief Information Security Officer Update
 - 2024 Network Vulnerability Assessment Clarification
- Theft, Fraud, and Abuse Hotline Update
- Update on 2023 Internal Audit Director Performance Goals – *Informational Item Only*
- Update on 2023 Chief Compliance Officer Performance Goals – *Informational Item Only*

8. Committee Meeting Resumes

At 2:49 p.m., the committee meeting resumed in public session.

9. Committee Comments/Concerns/Questions

Jay Stroup, Chief Information Security Officer, and Dan Krautheim, Chief Information Officer, will follow up on their network vulnerability assessment presentation by exploring technology used to determine external attacks utilized by other agencies such as the Office of Administration. They will also provide a list of legacy systems and their status for upgrade or removal as requested by Treasurer Garrity.

10. Motion to Adjourn

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

RESOLVED: That this meeting be adjourned at 2:50 p.m.

Respectfully submitted,



Ryan P. McCoy, CIA
Internal Audit Director