

Minutes of the Audit, Risk and Compliance Committee Meeting

Tuesday, December 3, 2024, 12:00 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

Lloyd Ebright, Designee for Treasurer Garrity

Donald Enders Jr.

Treasurer Stacy Garrity

Michael Heckmann, Designee for Representative Miller

Secretary Uri Monson

Representative Brett Miller

Jeffrey Soderstedt, Designee for Secretary Spicher

Thomas Waters, Designee for Treasurer Garrity

Other Board Members and Designees:

John Galuska

Matt Lindsay, Designee for Senator Hughes

Matt McCarry, Designee for Representative Frankel

Gregory Thall, Board Chairman

SERS Staff:

Stephen Balucha

Kelly Bernhard

Rob Borski

Beth Christian

Cindy Collins

Jo Ann Collins

Brenda Cunard

Thomas Derr

Jonathan Ferrar

Taylor Frey

Randy Gilson

Pam Hile

Meredith Jones

Jenny Keim

Dan Krautheim
Alan Lin
N. Joseph Marcucci
Ryan McCoy
Michael McGeoy
Sara McSurdy
Jeffrey Meyer
N. Catherine Nolan
Kara O'Donnell
Kyle Reinfeld
Jon Ryan
Stephen Shank
Steven Skoff
Matthew Soule
Joseph Torta
Rae Ann Tronetti
William Truong
Mark Walter
Sheila Willrich
Courtney Yurovich
Shannon Zimmerman

Public

Brain Kimmett – Rock the Capital

1. Call to Order

Prior to the meeting starting, the Committee members were informed that the meeting would be recorded. Treasurer Garrity, called the meeting to order, at 12:01 p.m.

2. Welcome and Roll Call

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

3. Approval of Minutes

Mr. Craig presented the minutes from the September 17, 2024, Audit, Risk and Compliance Committee meeting 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 17, 2024, Audit, Risk and Compliance Committee meeting.

4. Old Business – None

5. Special Presentations – None

6. New Business – Mr. McCoy and Ms. Tronetti presented an Introduction to the Institute of Internal Auditors' updated Global Internal Audit Standards, which take effect in January 2025. Upon commencement of their presentation, Mr. McCoy informed the Committee that they could find a full version and a condensed version of the Standards, for their review, under agenda item 6A in BoardDocs. He also noted that there was an updated Internal Audit Office Charter included in BoardDocs under agenda item 8B as an informational only item for review, which will be voted on for Board recommendation by the Committee after a discussion at either the February or April 2025 meeting.

Next, Eric Forkner and Craig Swallow, both partners with SERS' external audit firm KPMG, provided the audit plan for the agency's upcoming 2024 independent financial statement audit. They explained their required standards, their responsibilities as it relates to controls, their audit methodologies, and confirmed their independence with the Audit, Risk and Compliance Committee.

7. Executive Session

At 12:38 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 Office Update
 - 2025 Risk-based Audit Plan
 - SOC Audit Update
- SERIS Logical Access and Segregation of Duties Audit Discussion
- Chief Compliance Officer Update
 - Policy and Procedure Review and Gap Assessment – Implementation Update
 - Quarterly Report for the Period Ending September 30, 2024
- Fraud Hotline Update
- Update on 2024 Internal Audit Director Performance Goals – Informational Item Only
- Update on 2024 Chief Compliance Officer Performance Goals – Informational Item Only
- Chief Compliance Officer Quarterly Report: Audit, Risk and Compliance Committee Charter, Section V.E.4. – Informational Item Only

8. Public Session Resumes – Mr. Craig put forth a motion to recommend, for Board approval, the agency's 2025 risk-based audit plan. The 2025 Audit Plan was recommended by the Committee for Board approval and the motion was approved.

Motion:

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

RESOLVED: That this committee recommends to the State Employees' Retirement Board that it approve SERS' 2025 Internal Audit Plan as reviewed and presented by the Internal Audit Director.

9. Committee Comments/Concerns/Questions – None

10. Motion to Adjourn

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

RESOLVED: That this meeting be adjourned at 1:14 p.m.

Respectfully submitted,



Ryan P. McCoy, CIA
Internal Audit Director