

MINUTES

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**Audit, Risk, and Compliance Committee**

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Tuesday, July 22, 2025 ~ Scheduled Start: 1:30 p.m. ~ Actual Start: 1:31 p.m.

**ATTENDANCE AT COMMITTEE MEETING:**

**Board Members:**

*Committee Members noted with \* behind their name*

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| <input checked="" type="checkbox"/> Donald Enders, Jr.*         | <input type="checkbox"/> Rep. Brett Miller*                      |
| <input type="checkbox"/> W. Russell Faber                       | <input checked="" type="checkbox"/> Michael Heckmann, Designee   |
| <input type="checkbox"/> Rep. Dan Frankel                       | <input type="checkbox"/> Jill Vecchio, Designee                  |
| <input type="checkbox"/> Anne Baloga, Designee                  | <input type="checkbox"/> Sec. Uri Monson*                        |
| <input type="checkbox"/> Jordan Laslett, Designee               | <input type="checkbox"/> Sen. Devlin Robinson                    |
| <input type="checkbox"/> Matthew McCarry, Designee              | <input checked="" type="checkbox"/> Kevin Battle, Designee       |
| <input type="checkbox"/> Devin Mercado, Designee                | <input type="checkbox"/> Stephanie Buchanan, Designee            |
| <input checked="" type="checkbox"/> John Galuska                | <input type="checkbox"/> Allison Dutrey, Designee                |
| <input checked="" type="checkbox"/> Tr. Stacy Garrity*          | <input type="checkbox"/> Sec. Wendy Spicher*                     |
| <input checked="" type="checkbox"/> Christopher Craig, Designee | <input checked="" type="checkbox"/> Seamus Dubbs, Designee       |
| <input type="checkbox"/> Lloyd Ebright, Designee                | <input type="checkbox"/> Eric Pistilli, Designee                 |
| <input checked="" type="checkbox"/> Tom Waters, Designee        | <input checked="" type="checkbox"/> Jeffrey Soderstedt, Designee |
| <input type="checkbox"/> Sen. Vincent Hughes                    | <input checked="" type="checkbox"/> Gregory Thall (Board Chair)  |
| <input checked="" type="checkbox"/> Matthew Lindsay, Designee   |  |
| <input type="checkbox"/> Antoinette Marchowsky, Designee        |  |

**SERS Leadership:**

*Committee Liaisons and Committee Counsel noted with \* behind their job title*

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| <input checked="" type="checkbox"/> Chief Compliance Officer*<br><i>Jo Ann Collins</i> | <input checked="" type="checkbox"/> Chief Financial Officer<br><i>Sara McSurdy</i>       |
| <input checked="" type="checkbox"/> Chief Counsel*<br><i>N. Joseph Marcucci</i>        | <input checked="" type="checkbox"/> Chief Information Officer<br><i>Daniel Krautheim</i> |

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|---|--|
| <input checked="" type="checkbox"/> Chief Investment Officer<br><i>James Nolan</i>                | <input checked="" type="checkbox"/> Deputy Executive Director for OMPS<br><i>Brenda Cunard</i>         |
| <input checked="" type="checkbox"/> Comm. Director & Press Secretary<br><i>Pamela Hile</i>        | <input checked="" type="checkbox"/> Director of Gov. & Strategic Initiatives<br><i>Cynthia Collins</i> |
| <input checked="" type="checkbox"/> Deputy Chief Counsel (Benefits)<br><i>Catherine Nolan</i>     | <input checked="" type="checkbox"/> Executive Director<br><i>Joseph Torta</i>                          |
| <input checked="" type="checkbox"/> Deputy Chief Counsel (Business)<br><i>Steven Skoff</i>        | <input checked="" type="checkbox"/> HR Director<br><i>Michele Shaner</i>                               |
| <input checked="" type="checkbox"/> Deputy Chief Financial Officer<br><i>Michael McGeoy</i>       | <input checked="" type="checkbox"/> Internal Audit Director*<br><i>Ryan McCoy</i>                      |
| <input checked="" type="checkbox"/> Deputy Chief Investment Officer<br><i>William Truong</i>      | <input checked="" type="checkbox"/> Legislative Affairs & Policy Director<br><i>Thomas Derr</i>        |
| <input checked="" type="checkbox"/> Deputy Executive Director for Admin.<br><i>Beth Christian</i> |  |

**SERS Board Committee Support:**

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|--|--|
| <input checked="" type="checkbox"/> Administrative Assistant, OA<br><i>Kelly Bernhard</i>    | <input type="checkbox"/> IT Generalist<br><i>Jonathan Ryan</i>             |
| <input checked="" type="checkbox"/> Executive Assistant, OA<br><i>Shannon Zimmerman</i>      | <input checked="" type="checkbox"/> IT Generalist<br><i>Brett Shaffer</i>  |
| <input checked="" type="checkbox"/> Executive Assistant, Board Ed.<br><i>Sheila Willrich</i> | <input type="checkbox"/> IT Generalist<br><i>Matthew Soule</i>             |
| <input checked="" type="checkbox"/> Executive Secretary<br><i>Courtney Yurovich</i>          | <input type="checkbox"/> Technical Support Director<br><i>Randy Gilson</i> |
| <input checked="" type="checkbox"/> IT Administrator<br><i>Mark Walter</i>                   |  |

**Other SERS Staff:**

- Joseph Auchey, Internal Audit Office
- Taylor Clark, Chief Counsel's Office
- Bob Necciai, Chief Counsel's Office
- Cara Trego, Internal Audit Office
- Rae Ann Tronetti, Internal Audit Office

**Other Attendees:**

- Joel Eshleman, CliftonLarsenAllen LLP ("CLA")

**NARRATIVE/ISSUES:****1. Call to Order and Roll Call**

The meeting was called to order at 1:31 p.m. by Treasurer Stacy Garrity, Chair of the Audit, Risk, and Compliance Committee.

**2. Welcome and Introductions**

None

**3. Approval of the Minutes**

The Committee approved the minutes from the June 10, 2025, Audit, Risk, and Compliance Committee meeting.

**4. Old Business**

None

**5. Special Presentations**

None

**6. New Business****A. Internal Audit Office Budget**

Mr. McCoy, Internal Audit Director, reviewed the Internal Audit Office budget proposal with the Audit, Risk, and Compliance Committee, stating that it is a proposed draft and asking if the Committee had any suggestions, questions, or concerns about the proposed budget.

The staff numbers in the budget reflect the current salaries; when the 2026/2027 numbers are available, the budget will be updated to reflect the most accurate and up to date numbers. The Internal Audit Office budget will be rereviewed and presented for a vote at the September 2025 Committee meeting. There were no suggestions, questions, or concerns brought forth by any Committee members.

**B. Internal Audit Plan Update**

Mr. McCoy provided a 2025 Internal Audit Plan Update to the Committee, noting that the Data Privacy and Protection Review is on schedule with a full report expected at the September 2025 Committee meeting. Internal Audit recently kicked off the Data Quality and Integrity Review on schedule; a report is anticipated at the December 2025 Committee meeting.

**C. Internal Audit Issues Management Database**

Mr. McCoy provided an overview of the new Internal Audit Management Database created in Microsoft Access by Rae Ann Tronetti, Assistant Internal Audit Director. Mrs. Tronetti spoke briefly about her progress and stated that the database is approximately 65% complete. The Committee can anticipate an informational only item from the database in future Committee meetings to keep Committee members apprised of all issues being tracked.

**D. Internal Audit Office Global Internal Audit Standards Gap Assessment Discussion**

Mr. McCoy provided an overview of a gap assessment that the Internal Audit Office proposed would be conducted by the Institute of Internal Auditors (“IIA”). The gap assessment would provide the Internal Audit Office with a clear understanding of gaps that would need to be addressed in order to pass a quality assurance review required by IIA Standards. The Internal Audit Office noted that the IIA is the body that establishes Internal Audit Standards. The cost for the review is estimated at \$25,000, which is well below the \$200,000 external assistance amount previously recommended by the Audit, Risk and Compliance Committee and approved by the SERS Board. Treasurer Garrity noted that she is thrilled that SERS Internal Audit Office is obtaining the gap assessment.

The Committee voted unanimously to allow the Internal Audit Office to utilize the funds to secure gap assessment services consistent with Commonwealth of Pennsylvania procurement requirements.

**7. Executive Session**

The Committee entered Executive Session at 1:52 p.m.

- A. Data Privacy and Protection Audit Update
- B. System and Organization Controls (“SOC”) 1 Type 2 Audit Update
- C. Actuarial Audit Update
- D. Informational Items
  - i. Segregation of Duties Review Memo
  - ii. Benefit Payment Review Memo

**8. Public Session Resumes**

The Committee exited Executive Session at 2:38 p.m. and resumed the public session of the meeting.

**9. Informational Items**

None

**10. Comments, Concerns, Questions, and Reminders**

The next Committee meeting is scheduled for Tuesday, September 30, 2025.

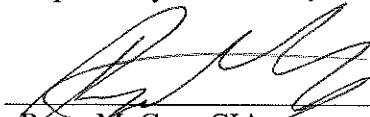
**11. Motion to Adjourn**

By motion that was moved, seconded, and approved, it was RESOLVED that the meeting be adjourned at 2:39 p.m.

**12. Follow up / Next Steps**

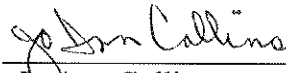
- A. CLA anticipates presenting the results of SERS' SOC 1 Type 2 Audit at the September 30, 2025 Audit, Risk and Compliance Committee meeting.
- B. Gabriel, Roeder, Smith & Company plans to present the results of SERS' Level One Actuary Replication Audit at the September 30, 2025 Audit, Risk and Compliance Committee meeting.

Respectfully Submitted,



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Ryan McCoy, CIA  
Internal Audit Director



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Jo Ann Collins  
Chief Compliance Officer