

MINUTES

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**Audit, Risk, and Compliance Committee**

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Tuesday, September 30, 2025 ~ Scheduled Start: 1:30 p.m. ~ Actual Start: 1:30 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 checked="" type="checkbox"/> W. Russell Faber            | <input type="checkbox"/> Michael Heckmann, Designee              |
| <input checked="" type="checkbox"/> Rep. Dan Frankel            | <input checked="" 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 checked="" type="checkbox"/> Matthew McCarry, Designee   | <input type="checkbox"/> Kevin Battle, Designee                  |
| <input type="checkbox"/> Devin Mercado, Designee                | <input checked="" type="checkbox"/> Stephanie Buchanan, Designee |
| <input checked="" type="checkbox"/> John Galuska                | <input type="checkbox"/> Allison Dutrey, Designee                |
| <input type="checkbox"/> Tr. Stacy Garrity                      | <input type="checkbox"/> Sec. Wendy Spicher                      |
| <input checked="" type="checkbox"/> Christopher Craig, Designee | <input type="checkbox"/> Seamus Dubbs, Designee                  |
| <input type="checkbox"/> Lloyd Ebright, Designee                | <input checked="" 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 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 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:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Administrative Assistant, OA<br><i>Kelly Bernhard</i>    | <input checked="" type="checkbox"/> IT Administrator<br><i>Mark Walter</i> |
| <input type="checkbox"/> Administrative Officer, IT<br><i>Taylor Frey</i>                    | <input checked="" 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 checked="" 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> |

**Other SERS Staff:**

- Joseph Auchey, Internal Audit
- Lindsay Bailor, Executive Office
- Richard Gaul, Operations
- Jay Stroup, Bureau of Information Technology
- Cara Trego, Internal Audit
- Rae Ann Tronetti, Internal Audit
- Bob Necciai, Chief Counsel's Office

**Other Attendees:**

- James Anderson, Gabriel, Roeder, Smith & Company (GRS)
- Joel Eshleman, CliftonLarsonAllen LLP
- Craig Graby, GRS
- Judith Kermans, GRS
- Kris Seets, GRS
- Bonita Wurst, GRS

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

The meeting was called to order at 1:30 p.m. by Mr. Tom Waters, Designee to Treasurer 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 July 22, 2025, Audit, Risk, and Compliance Committee meeting.

**4. Old Business**

None

**5. Special Presentations**

None

**6. New Business**

- **Internal Audit Office Update**

- **Internal Audit Office Budget**

Mr. McCoy, Internal Audit Director, reviewed the Internal Audit Office budget with the Audit, Risk, and Compliance Committee. Mr. McCoy reviewed the Internal Audit staff positions and salaries, allotment for external resources including the annual independent financial statements auditor, Internal Audit software, training and subscriptions.

The committee voted unanimously to recommend to the State Employees' Retirement Board to approve the Fiscal Year 2026-2027 Internal Audit Office Budget as set forth in BoardDocs at Audit, Risk and Compliance Committee Meeting Agenda Item 6A-i.

The roll call vote tabulation was as follows:

<b>Board Member</b>	<b>Vote</b>
ENDERS	Yes
GARRITY	
Designee: Waters	Yes
MILLER	
Designee: Vecchio	Yes
MONSON	Absent
SPICHER	
Designee: Soderstedt	Yes

○ **Internal Audit Plan Update**

Mr. McCoy, Internal Audit Director, reviewed the Internal Audit Plan for 2026-2027. Mr. McCoy elaborated on the risk assessment completed by the Internal Audit Office to result in the chosen audit topics for the plan. Mr. McCoy stated that due to feedback from the Audit, Risk, and Compliance Committee Chair and team the order of the audit plan would be updated for the December committee meeting for a vote of the plan.

○ **Global Internal Audit Standards Gap Assessment Procurement**

Mr. McCoy, Internal Audit Director, reviewed the Gap Assessment for the Internal Audit Office stating that a request for proposal (RFP) is required for this procurement.

The committee voted unanimously to recommend the State Employees' Retirement Board to authorize SERS staff to initiate the RFP process for a gap assessment of the Internal Audit Office for its adherence to the Global Internal Audit Standards as set forth in BoardDocs at Audit, Risk and Compliance Committee Meeting Agenda Item 6A-iii.

The roll call vote tabulation was as follows:

<b>Board Member</b>	<b>Vote</b>
ENDERS	Yes
GARRITY	
Designee: Waters	Yes
MILLER	
Designee: Vecchio	Yes
MONSON	Absent
SPICHER	
Designee: Soderstedt	Yes

- **Level One Actuary Replication Audit Results**

GRS presented the Level One Actuary Replication Audit Results. GRS reviewed the work completed to formulate its opinion, including methods and assumptions as well as replication of actuarial valuations. GRS concluded that the work of the retained actuaries reasonably represents the actuarial position of the State Employees' Retirement System based on the assumptions and methods employed.

The committee voted unanimously to recommend to the State Employees' Retirement Board to accept the auditor's opinion of the Level One Actuarial Replication audit performed by Gabriel, Roeder, Smith & Company on the results of Korn Ferry's 2023 actuarial valuation, as set forth in BoardDocs at Audit, Risk and Compliance Committee Meeting Agenda Item 6B.

The roll call vote tabulation was as follows:

<b>Board Member</b>	<b>Vote</b>
ENDERS	Yes
GARRITY	
Designee: Waters	Yes
MILLER	
Designee: Vecchio	Yes
MONSON	Absent
SPICHER	
Designee: Soderstedt	Yes

**7. Executive Session**

The Committee entered Executive Session at 2:11 p.m.

- **SOC 1 Type 2 Audit Results**
- **Internal Audit Issues Management Databases**
- **Enterprise Risk Management Discussion**
- **Network Vulnerability Assessment**
- **Chief Compliance Officer Update – Compliance Quarterly Report for the Period Ending June 30, 2025**
- **Informational Items**
  - **Internal Audit Office Issues Management Tracking Documents**
  - **Chief Compliance Officer Quarterly Report: Audit, Risk and Compliance Committee Charter, Section V.E.4.**
  - **Fraud Hotline Summary**

**8. Public Session Resumes**

Once in public session, the Committee voted unanimously to recommend to the State Employees' Retirement Board to accept the auditor's opinion of the SOC 1 Type 2 audit performed by Certified Public Accounting firm CliftonLarsonAllen LLP as set forth in BoardDocs at Audit, Risk and Compliance Committee Meeting Agenda Item 7A.

The roll call vote tabulation was as follows:

<b>Board Member</b>	<b>Vote</b>
ENDERS	Yes
GARRITY	
Designee: Waters	Yes
MILLER	
Designee: Vecchio	Yes
MONSON	Absent
SPICHER	
Designee: Soderstedt	Yes

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

- The next committee meeting is scheduled for Tuesday, December 2, 2025.

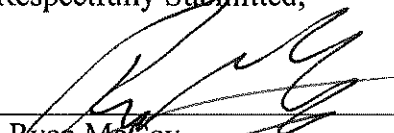
**10. Motion to Adjourn**

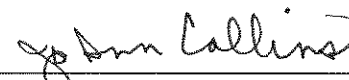
By motion that was moved, seconded, and approved, it was RESOLVED that the meeting be adjourned at 3:00 p.m.

**11. Follow up / Next Steps**

- The Internal Audit Office anticipates a special meeting to review the Data Privacy and Protection Audit in late October or early November at the request of the Audit, Risk, and Compliance Committee Chair with more details to come.

Respectfully Submitted,

  
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Ryan McCoy  
Internal Audit Director

  
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Jo Ann Collins  
Chief Compliance Officer