



STATE OF DELAWARE
STATE BOARD OF PENSION TRUSTEES
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BOARD OF PENSION TRUSTEES
AUDIT COMMITTEE
PUBLIC MINUTES OF JULY 23, 2021

The meeting of the Audit Committee was called to order by Mark Finfrock, Chair, at 9:04 a.m., via-video and tele-conferencing.

Committee Members Present

Mark Finfrock
Jim Burke
Tom Vermeer
Stephen Ritchie
Harold Stafford

Committee Members Absent

Kathy White

Others Present

Joanna Adams, Pension Office
Jodie Wedel, Pension Office
Jamie Mayan, Pension Office
Stephenie Tatman, Pension Office
Khairat Makanjuola, Pension Office
Josh Hitchens, Pension Office
Ann Marie Johnson, Deputy Attorney General
Ryan Connell, Deputy Attorney General
Courtney Stewart, OMB
Sophia Smith, Windmark
Keith Hammond, BDO
Jim Doyle, BDO
Jackie Nycum, BDO
Jason Freund, KPMG
Mike Devitis, KPMG

1. OPENING COMMENTS

M. Finfrock announced J. Burke's retirement as an Audit Committee member and thanked him for his ten years of service. He will continue to serve on the Governance Committee.

2. APPROVAL OF THE MINUTES

The Audit Committee reviewed the Public Minutes of the May 7, 2021 meeting.

MOTION made by H. Stafford and seconded by S. Ritchie to approve the Public Minutes of the May 7, 2021 meeting with corrections, subject to noted changes discussed during Executive Session.

MOTION ADOPTED UNANIMOUSLY

The Audit Committee reviewed the Executive Minutes of the May 7, 2021 meeting.

MOTION made by S. Ritchie and seconded by H. Stafford to approve the Executive Minutes of the May 7, 2021 meeting, subject to noted changes discussed during Executive Session.

MOTION ADOPTED UNANIMOUSLY

MOTION made by J. Burke and seconded by S. Ritchie to move into Executive Session for the purpose of discussing confidential financial information, sensitive commercial information, proprietary business information, and internal audit reports and preliminary external audit reports.

MOTION ADOPTED UNANIMOUSLY

The Audit Committee then moved into Executive Session to discuss confidential financial information, sensitive commercial information, proprietary business information, and internal audit reports and preliminary external audit reports.

MOTION made by J. Burke and seconded by H. Stafford to exit Executive Session.

MOTION ADOPTED UNANIMOUSLY

3. EXTERNAL AUDIT UPDATE

Nothing to report.

4. INTERNAL AUDIT REPORT

Nothing to report.

5. PENSION ADMINISTRATOR UPDATE

Ms. Adams reported the Pension Office is currently working on second interviews for the Human Resources Information Specialist III, which is vacant from an internal promotion, the Human Resources Specialist III for our benefits section, and four Human Resources Specialist I positions.

She also noted SB 74 introduced by S. McBride. This Act relates to the police and fire pension fund provisions of Chapter 7, Title 18 of the Delaware Code. The Act clarifies that an eligible retiree must be alive on July 1 of each biennial payout year in order to receive the payment provided for in Section 708 of Chapter 7. This bill has passed and is waiting for the governor's signature.

HB 79 Introduced by G. Brady. This Act provides that the amount of ordinary or disability pension payable to a 9-1-1 operator includes 2.45% of the 9-1-1 operator's final average compensation multiplied by years of service above 25 years, the same multiplier as applied to corrections officers and specified peace officers. This bill has passed and is waiting for the governor's signature.

She also noted that HB 80 was introduced into legislation. This Bill is spearheaded by the Speaker of the House. This is an act to amend Title 29 of the Delaware Code relates to the State Employees' Pension Plan and changes the calculation for correctional officers. This bill has passed and is waiting for the governor's signature.

SB 14 introduced by B. Ennis. This Bill provides a mechanism to grant pension increases to retired State Employees, retired Judges, and retired "New" State police. This bill dedicates a minimum of 3.0% of payroll to be deposited annually to the Post Retirement Fund. The bill also provides for biennial pension increases beginning July 1, 2021. This did not pass.

6. DEPUTY ATTORNEY GENERAL REPORT

Nothing to report

7. MEETING DATES FOR 2021

Next meeting is November 5, 2021.

MOTION made by T. Vermeer and seconded by J. Burke to extend the KPMG contract for two years with the option to extend for two additional years at an annual cost not to exceed \$40,000.

MOTION ADOPTED UNANIMOUSLY

MOTION made by T. Vermeer and seconded by H. Stafford to approve the Fiscal Year 2022 Internal Audit Plan.


MOTION ADOPTED UNANIMOUSLY

8. ADJOURNMENT


At 11:38 a.m., there being no further business, **MOTION** was made by J. Burke and seconded by S. Ritchie to adjourn the meeting.

MOTION ADOPTED UNANIMOUSLY

Respectfully submitted,


Joanna Adams (May 25, 2022 12:06 EDT)

Joanna M. Adams
Pensions Administrator


Mark Finfrock (May 26, 2022 13:16 EDT)

Mark Finfrock, Chair
Audit Committee