

**STATE OF DELAWARE**  
**STATE BOARD OF PENSION TRUSTEES**  
**AND**  
**OFFICE OF PENSIONS**  
MCARDLE BUILDING  
860 SILVER LAKE BLVD., SUITE 1  
DOVER, DE 19904-2402

**When Calling Long Distance**  
**Toll Free Number 1-800-722-7300**  
**E-mail: [pensionoffice@delaware.gov](mailto:pensionoffice@delaware.gov)**

**Telephone (302) 739-4208**  
**FAX # (302) 739-6129**  
**[www.delawarepensions.com](http://www.delawarepensions.com)**

**BOARD OF PENSION TRUSTEES**  
**AUDIT COMMITTEE**  
**PUBLIC MINUTES OF FEBRUARY 4, 2022**

The meeting of the Audit Committee was called to order by Mark Finfrock, Chair, at 9:02 a.m., via video and teleconferencing.

**Committee Members Present**

Mark Finfrock  
Tom Vermeer  
Stephen Ritchie  
Harold Stafford  
Kathy White  
Joseph Seibert

**Committee Members Absent**

**Others Present**

Joanna Adams, Pension Office  
Stephenie Tatman, Pension Office  
Vicki Schultes, Pension Office  
Ryan Connell, Deputy Attorney General  
Josh Hitchens, Pension Office  
Khairat Makanjuola, Pension Office  
Courtney Stewart, OMB

Mike Devitis, KPMG  
Jason Freund, KPMG  
James Pollock, KPMG  
Jim Doyle, BDO  
Keith Hammond, BDO  
Sophia Smith, Windmark

**1. OPENING COMMENTS:**

M. Finfrock congratulated S. Tatman on her promotion from Internal Auditor to Deputy Pension Administrator. Other Committee members also offered their congratulations. M. Finfrock followed with roll call.

**2. APPROVAL OF THE MINUTES:**

The Audit Committee reviewed the Public Minutes of the November 5, 2021 meeting.

**MOTION** made by H. Stafford and seconded by T. Vermeer to approve the Public Minutes of the November 5, 2021 meeting with corrections, subject to noted changes discussed during Executive Session.

**MOTION ADOPTED UNANIMOUSLY**

The Audit Committee reviewed the Executive Minutes of the November 5, 2021 meeting.

**MOTION** made by K. White and seconded by S. Ritchie to approve the Executive Minutes of the November 5, 2021 meeting, subject to noted changes discussed during Executive Session.

**MOTION ADOPTED UNANIMOUSLY**

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

**MOTION** made by S. Ritchie and seconded by K. White to exit Executive Session.

**MOTION ADOPTED UNANIMOUSLY**

**3. EXTERNAL AUDIT UPDATE:**

There was nothing to report.

**4. INTERNAL AUDIT REPORT:**

There was nothing to report.

**5. PENSION ADMINISTRATOR UPDATE:**

POSITIONS UPDATE:

Ms. Adams provided an overview of the Current Vacant Positions chart. It was noted that the Administrative Specialist II Position for the front desk/reception, as well as the Executive Assistant to Pension Administrator position, have been filled. Ms. Adams also confirmed that S. Tatman had been promoted from Internal Auditor to Deputy Pension Administrator.

The Senior Human Resources Technician position is on hold for reclassification to Human Resources Specialist.

The Human Resources Specialist V position is now vacant/on hold; to be posted soon. The previous posting did not result in adequate candidates. We now have a limited-term Human Resources Specialist V position.

In addition, the Request to Fill (for) the Internal Auditor position will be sent to Human Resources soon.

Lastly, thanks to Director Cade and Deputy Director Stewart, the office has been granted three positions in the FY23 Governor's Recommended Budget. This has not occurred since 2008. Historically, the biggest area of staffing concern involves the Pension Administration Section.

NEW ENTITIES:

Two new entities were approved to join DPERS at the January 28, 2022 Board Meeting:

- The Mid-Sussex Rescue Squad was approved to join the County/Municipal General Plan effective January 1, 2022.
- The City of Newark retired members of Fraternal Order of Police Lodge #4 were approved to join the State of Delaware County and Municipal Police/Firefighter COLA Fund.

These entities are fully funded.

LEGISLATIVE UPDATE:

(INTRODUCED) House Bill 248: This Act requires the State to reimburse healthcare expenses incurred by eligible pensioner spouses on Medicare who are required to enroll in their former employer's healthcare coverage and their former employer's coverage pays less than the State's coverage would pay. Ms. Adams stated that this basically 'undoes' the existing spousal coordination of benefits, having a huge negative impact on OPEB liability.

(INTRODUCED) House Bill 295: This Act contains technical cleanup of definitions as well as updates to the Delaware Code for the Judicial Plan.

CYBERSECURITY PRESENTATION FROM DTI – FEBRUARY 25, 2022 BOARD MEETING:

State Chief Security Officer Solomon Adote will be presenting at (approximately) 9:30 a.m. The Audit Committee is welcome to participate in the meeting.

Note/Request for May 6<sup>th</sup> meeting agenda: Inclusion of an overview of the critical meeting points and comments presented by S. Adote.

Lastly, K. Makanjuola stated that Northern Trust is also providing a cybersecurity presentation during the February 14, 2022, Investment Committee meeting, and suggested the invitation get forwarded to the Audit Committee members.

**6. DEPUTY ATTORNEY GENERAL REPORT:**

There was nothing to report.

**7. MEETING DATES FOR 2022:**


Future meeting dates for 2022 are May 6<sup>th</sup>, July 15<sup>th</sup>, and November 4<sup>th</sup>.

**8. ADJOURNMENT**

At 10:09 a.m., there being no further business, **MOTION** was made by H. Stafford and seconded by K. White to adjourn the meeting.

**MOTION ADOPTED UNANIMOUSLY**

Respectfully submitted,

  
[Joanna Adams \(May 6, 2022 14:48 EDT\)](#)

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Joanna M. Adams  
Pensions Administrator



[Mark Finfrock \(May 15, 2022 09:44 EDT\)](#)

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Mark Finfrock, Chair  
Audit Committee