



**STATE OF DELAWARE**  
**STATE BOARD OF PENSION TRUSTEES**  
**AND**  
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**BOARD OF PENSION TRUSTEES**  
**AUDIT COMMITTEE**  
**PUBLIC MINUTES OF FEBRUARY 9, 2024**

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, Chair  
Stephen Ritchie  
Joseph Seibert  
Harold Stafford  
Tom Vermeer  
Kathy White

**Committee Members Absent**

**Others Present**

Joanna Adams, Pension Office  
Stephenie Tatman, Pension Office  
Khairat Makanjuola, Pension Office  
Josh Hitchens, Pension Office  
Melanie Moore, Pension Office  
Jessica Abbas, Pension Office  
Ryan Connell, Deputy Attorney General

Sophia Smith, Windmark Investment Partners  
Keith Hammond, BDO USA, LLP  
Scott Warnetski, BDO USA, LL  
Dhruvi Parikh, BDO USA, LLP  
Jason Freund, KPMG  
Michael Devitis, KPMG

**1. OPENING COMMENTS:**

M. Finfrock welcomed everyone to the first Audit Committee meeting of 2024 and then followed with a roll call.

**2. PUBLIC COMMENT**

K. Hammond, shared of his departure from BDO USA, LLP, expressed his thanks to the Audit Committee for their support during his tenure and introduced S. Warnetski who will assume K. Hammond's role within the organization and in support of the Audit Committee. S. Warnetski shared information regarding his experience, expertise and thanked the committee for the warm welcome.

M. Finfrock acknowledged today's meeting will be K. White's final, thanked her for her dedication and tenure to the committee and Delaware Public Employees' Retirement System and wished her well in retirement on behalf of the Audit Committee.

### **3. APPROVAL OF THE MINUTES:**

The Audit Committee reviewed the Public Minutes of the November 8, 2023, meeting.

**MOTION** made by J. Seibert and seconded by S. Ritchie to approve the Public Minutes of the November 8, 2023, meeting.

**MOTION ADOPTED UNANIMOUSLY**

The Audit Committee reviewed the Executive Minutes of the November 8, 2023, meeting during Executive Session.

**MOTION** made by H. Stafford and seconded by J. Seibert to approve the Executive Minutes of the November 8, 2023, meeting with technical corrections as noted.

**MOTION ADOPTED UNANIMOUSLY**

**MOTION** made by S. Ritchie and seconded by T. Vermeer to move into an 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.

### **4. EXTERNAL AUDIT REPORT**

The GASB 68/75 Schedules Audit Planning Report was reviewed in Executive Session.

### **5. INTERNAL AUDIT REPORT**

#### FY24 INTERNAL AUDIT PLAN UPDATE:

The Internal Audit Report and Internal Audit Plan were reviewed in Executive Session.

**MOTION** made by K. White and seconded by H. Stafford to exit Executive Session.

**MOTION ADOPTED UNANIMOUSLY**

K. Mankanjuola recognized and thanked Office of Pensions employees A. Cole, K. Diaz, K. Overington for their collaboration throughout the audit planning process.

## 6. PENSION ADMINISTRATOR'S REPORT

### POSITIONS UPDATE:

Three State Human Resource Analyst positions were filled, two were filled through internal promotions and one position was filled with a former pension office employee. Two Human Resource Analyst positions will be posted shortly and a Human Resource Analyst II position is in the midst of interviews. Finally, the Information Systems Manager position is temporarily on hold while the Enterprise Resource Planning (ERP) and Information Technology organizational structure is re-evaluated.

Discussions ensued regarding forecasted expansion initiatives, the tremendous support from OMB and long-term plans for additional staff support of the Retirement Centralization and ERP Modernization initiatives into FY25.

### LEGISLATIVE UPDATE:

J. Adams summarized two pieces of legislation:

- House Bill 266, which add wages earned as a result of additional work hours required by the employer to the definition of "compensation." This Bill has the most significant impact to the municipalities who participate in the County & Municipal Police and Fire Plan because it would cause the employer pension contribution rate to increase.
- House Bill 289, which would increase the burial benefit from \$7,000 to \$8,000.

### CYBERSECURITY PRESENTATION FROM DTI:

J. Adams shared at our February 23<sup>rd</sup>, Board of Pension Trustees' meeting, Solomon Adote from the Department of Technology and Information will be presenting his annual presentation to the board and all committee members are welcomed to attend at 10 a.m.

### ERP MODERNIZATION PROJECT:

J. Adams shared that the Request for Proposal for the new Pension Administration System is in legal review, which is the final review before its published.

### BOARD OF PENSION TRUSTEES UPDATE:

J. Adams shared in the November Board of Pension Trustees' meeting, BDO-USA, LLP presented the FY23 external audit, approved the 52nd Annual Comprehensive Financial Report ("ACFR") for FY23 and all committee members will be receiving a hard copy in the mail.

Pam Tikellis retired from the Governance Committee and Dale Stratton was appointed as chair.

The Board and Governance Committee are conducting a thorough review of the Board policies. At the November meeting, the Board approved the Code of Conduct, Education Policy, and Statement of Investments Objectives.

In December, the 2023 Successes were shared with the board, reiterated for the Audit Committee today and a digital copy will be sent to committee members following today's meeting; and S. Berg, portfolio manager of the T. Rowe Price Global Growth, presented to the board.

In January, quarterly statistics were shared with the board, the board approved Gigi Maniyatte to serve on the Audit Committee and thanked K. White for her service and wished her well in retirement.

M. Finfrock thanked and commended the Pension Office on behalf of the committee for the tremendous work completed in 2023 and the full update of activities since the last Audit Committee meeting.

## 7. DEPUTY ATTORNEY GENERAL REPORT

There was nothing to report in public session.

## 8. ADJOURNMENT

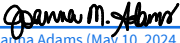
M. Finfrock thanked K. White, K. Hammond and J. Abbas for their support and wished them well in future endeavors before closing out the meeting.


At 10:34 a.m., there being no further business:

**MOTION** was made by K. White and seconded by J. Seibert to adjourn the meeting.

**MOTION ADOPTED UNANIMOUSLY**

Respectfully submitted,

  
Joanna Adams (May 10, 2024 15:14 EDT)  
Joanna M. Adams  
Pensions Administrator

  
Mark Finfrock (May 23, 2024 20:40 EDT)  
Mark Finfrock, Chair  
Audit Committee