



STATE OF DELAWARE
STATE BOARD OF PENSION TRUSTEES
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BOARD OF PENSION TRUSTEES
AUDIT COMMITTEE
PUBLIC MINUTES OF NOVEMBER 8, 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
Gigi Maniyatte
Stephen Ritchie
Joseph Seibert
Harold Stafford
Tom Vermeer

Committee Members Absent

Others Present

Joanna Adams, Pension Office
Stephenie Tatman, Pension Office
Melanie Moore, Pension Office
Arian Daniels, Pension Office
Josh Hitchens, Pension Office
Patty Davis, Deputy Attorney General
Jason Staib, Deputy Attorney General

Sophia Smith, Windmark Investment Partners
Scott Warnetski, BDO USA, P.C.
Dhruti Parikh, BDO USA, P.C.
Morgan Chako, BDO USA, P.C.
Jason Freund, KPMG
Michael Devitis, KPMG

1. OPENING COMMENTS:

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

2. PUBLIC COMMENT

No public comment.

3. APPROVAL OF THE MINUTES:

The Audit Committee reviewed the Public Minutes of the July 12, 2024, meeting.

MOTION made by J. Seibert and seconded by H. Stafford to approve the Public Minutes of the July 12, 2024, meeting.

MOTION ADOPTED UNANIMOUSLY

The Audit Committee reviewed the Executive Minutes of the July 12, 2024, meeting during Executive Session.

MOTION made by S. Ritchie and seconded by H. Stafford to approve the Executive Minutes of the July 12, 2024, meeting with changes.

MOTION ADOPTED UNANIMOUSLY

MOTION made by H. Stafford and seconded by S. Ritchie 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

FISCAL YEAR 2024 ANNUAL AUDIT REPORT:

The Fiscal Year 2024 External Audit was presented by BDO in executive session.

MOTION made by H. Stafford and seconded by T. Vermeer to recommend that the Board of Pension Trustees, upon its review, approve the Fiscal Year 2024 Annual Comprehensive Financial Audit Report, subject to satisfactory resolution of outstanding questions.

MOTION ADOPTED UNANIMOUSLY

5. INTERNAL AUDIT REPORT

INTERNAL AUDIT FUNCTION STATUS UPDATE:

There was nothing to report in public session.

MOTION made by T. Vermeer and seconded by J. Seibert to approve the internal audit report presented in Executive Session.

MOTION ADOPTED UNANIMOUSLY

MOTION made by T. Vermeer and seconded by S. Ritchie to exit Executive Session.

MOTION ADOPTED UNANIMOUSLY

6. PENSION ADMINISTRATOR'S REPORT

POSITIONS UPDATE:

J. Adams shared three HR Analyst positions have been filled. Five Limited Term HR Analyst I positions were posted and interviews will soon be scheduled. These positions are either new or were vacated due to promotion, military activations, or movement out of state. The last hiring pool did not produce the number of qualified candidates desired. A request has been submitted to fill the HR Manager II position. The Information Systems Manager and a HR Analyst I in Manual Loads remain on hold. The Deputy Attorney General position remains posted.

ACTUARIAL UPDATE:

J. Adams shared the Fiscal Year 2024 Actuarial Valuation for the plans in the system. The following employer contribution rates for FY25 were presented to the Board of Pension Trustees by Cheiron, Inc. at the October Board meeting:

- State Employees' 12.38%
- State Judicial 13.87%
- State Police 28.17%
- County/Municipal General 5.48%
- County/Municipal P & F 15.20%
- Volunteer Fire \$424.35 per member
- Diamond State Port \$0.00

The funded ratio based on the actuarial value of assets for the State Employee's Pension Plan is 87%.

ERP MODERNIZATION PROJECT:

J. Adams shared that the Request for Proposal (RFP) process to replace our current pension administration system is going well. Since the last Audit Committee meeting, vendors submitted their questions and responses to the RFP. Three-day onsite vendor demonstrations were held with three of the proposing vendors in October. The selection committee identified the top two vendors and will meet with each vendor a second time to seek additional clarification and receive answers to any outstanding questions. It is expected for contract negotiations to take 3 months once a vendor is selected.

The Pension Office is also in the process of drafting an RFP to procure an Independent Verification and Validation (IV&V) vendor, which is an independent third party who evaluates business requirements, audits the work of the vendor to ensure requirements are met, etc.

BOARD OF PENSION TRUSTEES UPDATE:

J. Adams shared the following updates:

- The Governance Committee was temporarily dissolved. A task force will be created to reestablish the Governance Committee and its priorities.
- An overview of investment commitments and activities for the months of August and September was shared.
- Mark Stalnecker, a longstanding member of the Investment Committee, resigned.
- Cheiron presented the annual actuarial valuation of the pension plans and OPEB in October.
- Resolutions were approved for three new entities to join one of the DPERS' municipality plans.

- A Securities Litigation Policy was presented to the Board, which had been under review for more than a year.
- Representatives from DPERS traveled to Northern Trust's headquarters for the annual due diligence meeting.

S. Tatman reported on the progress of the vested application team in reducing the backlog of vested pension applications that have yet to receive service verification or a benefit calculation.

7. DEPUTY ATTORNEY GENERAL REPORT

There was nothing to report in public session.

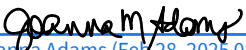
8. ADJOURNMENT

At 10:24 a.m., there being no further business:


MOTION was made by J. Seibert and seconded by H. Stafford to adjourn the meeting.

MOTION ADOPTED UNANIMOUSLY

Respectfully submitted,


[Joanna Adams \(Feb 28, 2025 08:41 EST\)](#)

Joanna M. Adams
Pensions Administrator


[Mark Finfrock \(Mar 2, 2025 16:01 EST\)](#)
Mark Finfrock, Chair
Audit Committee