

DELAWARE PUBLIC EMPLOYEES' RETIREMENT SYSTEM

AUDIT COMMITTEE MEETING SEPTEMBER 11, 2007 WILMINGTON, DELAWARE

ATTENDEES

AUDIT COMMITTEE	KPMG	PENSION OFFICE
Bill Markell	Robert Steen	David Craik
Joel Poorman	Katie Farley	Kathy Kunkle
Harold Smith		Jeffrey Hoover
STATE AUDITOR	ATTORNEY GENERAL	PENSION BOARD MEMBERS
Cathy Kleponis	Cynthia Collins	Phillip Reese

The primary purpose of the meeting was to review the 2007 Audit report and a draft of the proposed Management letter; review and comment on the Delaware Public Employee's Retirement System's Annual Report for the fiscal year ended June 30, 2007.

The meeting was called to order by Joel Poorman. Discussion was held by KPMG auditors Robert Steen and Katie Farley on the auditor and management responsibilities and the scope of the audit. KPMG stated it anticipated giving an unqualified opinion on the audit. An emphasis paragraph will be placed in the opinion highlighting the fact that 12% of the fair value of the net assets has been estimated by management in the absence of readily determined fair values.

MOTION made by H. Smith and seconded by W. Markell to move into Executive Session for the purpose of discussing confidential information related to audit comments and adjustments.

Following that discussion, a motion was made to return to Public Session.

MOTION made by W. Markell and seconded by H. Smith to return to Public Session.

A draft of the Thirty-Sixth Comprehensive Annual Financial Report had been sent to members of the Audit Committee prior to the meeting. Various editorial revisions were suggested and the general presentation of the report discussed.

Cc: Audit Committee Members

David Craik
Philip Reese
Kathy Kunkle