



STATE OF DELAWARE
STATE BOARD OF PENSION TRUSTEES
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BOARD OF PENSION TRUSTEES
AUDIT COMMITTEE
PUBLIC MINUTES OF JANUARY 28, 2016

The meeting of the Board of Pension Trustees Audit Committee was called to order by Mark Finrock, at 9:07 a.m. at 3 Mill Road, Wilmington, DE 19807.

Audit Committee Members Present

Mark Finrock, Chair
Stephen Ritchie
Robert Paretta
Araya Debessay
James Burke
Kathy White

Josh Hitchens
Khairat Mankanjuola

Audit Committee Members Not Present

Arturo Agra

Office of Pensions

David Craik
Kathy Kunkle
Amy Jozwiak

Ashford Consulting Group

Sophia Smith
Gary Musto

Delaware Department of Justice

Ann Marie Johnson, Deputy Attorney General

KPMG

Joseph Seibert
Arthur Ayres
Ryan Brown

TBV Advisors

Paul Roth

1. OPENING COMMENTS

M. Finfrock welcomed everyone to the Audit Committee meeting. Mr. Finfrock introduced Kathy White a new member to the committee.

2. APPROVAL OF THE MINUTES

The Audit Committee reviewed the public minutes of the October 23, 2015 meeting.

MOTION made by M. Finfrock and seconded by R. Paretta to approve the minutes of the Audit Committee of October 23, 2015.

MOTION ADOPTED UNANIMOUSLY

The Audit Committee reviewed the executive minutes of the October 23, 2015 meeting.

MOTION made by M. Finfrock and seconded by S. Ritchie to approve the executive minutes of the Audit Committee of October 23, 2015.

MOTION ADOPTED UNANIMOUSLY

3. RISK MANAGEMENT REPORT

P. Roth gave the Audit Committee a brief introduction along with his background. He reported that the projects he implemented in the past year were:

- COOP/Disaster Recovery – COOP test was initiated with two different scenarios and provided important feedback as to what procedures are working and which procedures need additional review.
- State email addresses for Board and Committee members – has been completed.
- Collecting manager information, including deal documents, at DPERS
- Reviewing AON report.
- Governance study ongoing

4. GOVERNANCE PROJECT UPDATE

D. Craik presented copies of the final report issued to DPERS by AON Hewitt reviewing the governance processes. The Governance Committee consisting of T. Shaw, Chair, D. Stratton, P. Roth, A. Johnson, and D. Craik will review the recommendations and begin the process of prioritizing and implementing the recommendations. D. Craik stated that the Audit Committee and the Board would be kept up to date on the progress.

5. FISCAL YEAR 2015 AUDIT DISCUSSION

MOTION made by R. Paretta and seconded by J. Burke to move into Executive Session for the purpose of discussing confidential financial information, sensitive commercial information, and proprietary business information.

MOTION ADOPTED UNANIMOUSLY

MOTION made by R. Paretta and seconded by J. Burke to exit Executive Session.

6. 2016 MEETING DATES

D. Craik stated that the Audit Committee would meet in April of 2016 if necessary to discuss the 2015 Audit and RFP.

7. DEPUTY ATTORNEY GENERAL REPORT

Nothing for Public Minutes

8. NEW BUSINESS

M. Finfrock asked if anyone has an agenda item for upcoming meetings to let him know in advance.

MOTION made by A. Debessay and seconded by R. Paretta to move into Executive Session for the purpose of discussing confidential financial information, sensitive commercial information, and proprietary business information.

MOTION ADOPTED UNANIMOUSLY

MOTION made by R. Paretta and seconded by A. Debessay to exit Executive Session.

9. ADJOURNMENT

At 12:0 p.m., there being no further business, MOTION was made by R. Paretta and seconded by J. Burke to adjourn the meeting.

MOTION ADOPTED UNANIMOUSLY

Respectfully submitted,

Mark Finfrock, Chair
Board of Pension Trustees, Audit Committee

cc: Audit Committee Members
Ann Marie Johnson, DAG
Suzanne B. Grant, Board Chair
David Craik, Pension Administrator