

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@state.de.us

Telephone (302) 739-4208
FAX # (302) 739-6129
www.delawarepensions.com

BOARD OF PENSION TRUSTEES
AUDIT COMMITTEE
PUBLIC MINUTES OF MAY 8, 2020

The meeting of the Audit Committee was called to order by Mark Finfrock, Chair, at 9:05 a.m.

Committee Members Present

Mark Finfrock
Kathy White
Stephen Ritchie
Araya Debessay
Jim Burke
Robert Paretta
Harold Stafford

Committee Members Absent

Others Present

Joanna Adams, Pension Office
Terri Timmons, Pension Office
Stephenie Tatman, Pension Office
Ann Marie Johnson, Deputy Attorney General
Ryan Connell, Deputy Attorney General
Rob Gooderham, Windmark
Khairat Makaanjuola, Pension Office
Keith Hammond, BDO
James Doyle, BDO
Bert Scoglietti, OMB
Jason Freund, KPMG
Jackie Nycum, BDO
Dawn Haw Young, Auditor of Accounts Office

Kathy McGinnis, State Auditor
Sophia Smith, Windmark

1. OPENING COMMENTS

M. Finfrock welcomed all to the meeting and asked everyone to introduce themselves. The Committee Members, Pension Office staff, Windmark, KPMG, and BDO introduced themselves and gave a brief summary of their backgrounds.

2. APPROVAL OF THE MINUTES

The Audit Committee reviewed the Public Minutes of the February 21, 2020 meeting.

MOTION made by R. Paretta and seconded by A. Debessay to approve the Public Minutes of the February 21, 2020 meeting.

MOTION ADOPTED UNANIMOUSLY

The Audit Committee reviewed the Executive Minutes of the February 21, 2020 meeting.

MOTION made by R. Paretta and seconded by J. Burke to approve the Executive Minutes of the February 21, 2020 meeting with noted correction.

MOTION ADOPTED UNANIMOUSLY

3. EXTERNAL AUDIT UPDATE

Nothing to report.

4. INTERNAL AUDIT REPORT

Nothing to report.

5. MEETING DATES FOR 2020

The Entrance Audit meeting will be held on July 17th.

MOTION made by R. Paretta and seconded by A. Debessey to move into Executive Session for the

purpose of discussing confidential investment, internal audit, pending and potential litigation and attorney-client matters.

MOTION ADOPTED UNANIMOUSLY

The Audit Committee then moved into Executive Session to discuss confidential financial information, sensitive commercial information, and proprietary business information.

MOTION made by R. Paretta and seconded by H. Stafford to exit Executive Session.

MOTION ADOPTED UNANIMOUSLY

MOTION made by R. Paretta and seconded by S. Ritchie to approve the Investments Internal Audit Report for 2020.

MOTION ADOPTED UNANIMOUSLY

MOTION made by R. Paretta and seconded by S. Ritchie to approve the Application Security Assessment and have it presented to the Board.

MOTION ADOPTED UNANIMOUSLY

6. DEPUTY ATTORNEY GENERAL REPORT

Resolution of the Board of Pension Trustees – Audit Committee

Ms. Johnson reviewed the updated Resolution of the Board of Pension Trustees of the delegation of duties of the Audit Committee. She explained the Board's rationale for the voting requirement.

M. Finfrock asked about the scope of duties set forth in paragraph seven, which seemed overbroad. After discussion, the Committee recommended that the paragraph be revised as "To review DPERS and OPEB operational risk management practices."

Ms. Johnson advised that once the Board adopted the revised delegation of duties, to include the statutory duty to select the auditor, that the Board's Handbook be updated to reflect this change.

7. NEW BUSINESS

PENSION ADMINISTRATOR UPDATE

Ms. Adams reported that all staff can telecommute except for three employees.

Cisco Jabber software, that allows us to make and receive calls while working from home, using the states phone system is up and running. Employees receive the calls through their computer. This is extremely important as Open Enrollment for Healthcare will begin so employees will be able to receive these calls at home. Ear buds have also been purchased.

We now have the capability for our customers to make appointments via our website.

We are receiving a lot of pension applications for August payroll. We have roughly received 300 and anticipate another 100 applications by June. August is our busiest month for active employees to retire.

We have made modifications to our reception area. We have relocated our receptionist to the 3rd workstation. This allows employees to assist our customers in a safe environment because there is glass between them.

Ms. Adams also stated that we have purchased desk dividers for our interview rooms, so we have extra protection between our employees and customers once the State of Emergency is lifted.

Our payroll for April was processed a day early, which is not unusual. It was another indicator that we are operating successfully and business as usual. All internal meetings are held via conference calls, WebEx or now Zoom.

Ms. Adams noted that staff has embraced the situation we are in and have persevered. The employees care about our membership and continue to work and go the extra mile for them. She expressed how amazing the staff have been and how proud she is of the staff.

The Audit Committee gave a huge shout out to the pension office staff and thanked them for the work they are doing.

MOTION made by A. Debessay and seconded by J. Burke to approve that item #4 would stay as written and change the language in item #7 to say to review DPERS and OPEB operational risk management practices.

MOTION ADOPTED UNANIMOUSLY

8. ADJOURNMENT

At 12:25 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,


Joanna M. Adams (Jul 21, 2020 14:21:03)

Joanna M. Adams
Pensions Administrator


Mark Finrock (Jul 25, 2020 09:08 EDT)

Mark Finrock, Chair
Audit Committee