



STATE OF DELAWARE
STATE BOARD OF PENSION TRUSTEES
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BOARD OF PENSION TRUSTEES
AUDIT COMMITTEE
PUBLIC MINUTES OF NOVEMBER 8, 2023

The meeting of the Audit Committee was called to order by Mark Finfrock, Chair, at 9:03 a.m., via video and teleconferencing.

Committee Members Present

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

Committee Members Absent

Others Present

Joanna Adams, Pension Office
Stephenie Tatman, Pension Office
Khairat Makanjuola, Pension Office
Josh Hitchens, Pension Office
Ryan Connell, Deputy Attorney General
Sophia Smith, Windmark Investment Partners

Jim Doyle, BDO USA, LLP
Dhruti Parikh, BDO USA, LLP
Keith Hammond, BDO USA, LLP
Mike Devitis, KPMG
Jason Freund, KPMG
Steven LePage, Current Retiree

1. OPENING COMMENTS:

M. Finfrock welcomed everyone to the meeting, then followed with a roll call.

2. APPROVAL OF THE MINUTES:

The Audit Committee reviewed the Public Minutes of the July 14, 2023, meeting.

MOTION made by J. Seibert and seconded by S. Ritchie to approve the Public Minutes of the July 14, 2023, meeting.

MOTION ADOPTED UNANIMOUSLY

The Audit Committee reviewed the Executive Minutes of the July 14, 2023, meeting during Executive Session. One minor technical correction was suggested.

MOTION made by K. White and seconded by H. Stafford to approve the Executive Minutes of the July 14, 2023, meeting with technical corrections as noted.

MOTION ADOPTED UNANIMOUSLY

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

3. EXTERNAL AUDIT REPORT

FISCAL YEAR 2023 ANNUAL REPORT:

The Fiscal Year 2023 External Audit was presented by BDO.

MOTION made by T. Vermeer and seconded by H. Stafford to recommend that the Board of Pension Trustees, upon its review, approve the FY23 Annual Audit Report.

MOTION ADOPTED UNANIMOUSLY

4. INTERNAL AUDIT REPORT

INTERNAL AUDIT PLAN STATUS UPDATE:

There was nothing to report in public session.

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

MOTION ADOPTED UNANIMOUSLY

5. PENSION ADMINISTRATOR'S REPORT

POSITIONS UPDATE:

Ms. Adams shared that the HR Supervisor position in Benefits was filled as well as another HR Analyst I Limited Term position. The Executive Assistant position vacated was also filled. Currently, there are two active postings for State HR Analyst I positions, one of which is a limited term position. A request to hire was submitted for the Cash and Debt Manager position vacated by K. Makanjuola.

ACTUARIAL UPDATE:

Ms. Adams presented the Fiscal Year 2023 Actuarial Valuation for the plans in the system. The following topics were discussed:

- Historical review/risk metrics – State Employees’ Plan
- Changes since the 2022 valuation
- Principal 6/30/2023 valuation results
 - State Employees’ details
 - Contribution results for all Plans

The following employer contribution rates for FY25 were presented to the Board by Cheiron, Inc.:

- | | |
|----------------------------|----------------------|
| • State Employees’ | 12.43% |
| • State Judicial | 13.07% |
| • State Police | 29.64% |
| • County/Municipal General | 5.70% |
| • County/Municipal P & F | 14.98% |
| • Volunteer Fire | \$447.35 per member* |
| • Diamond State Port | \$0.00 |

* Note: This rate went up significantly in 2023 because their benefit doubled. Additional funding appropriations in Fiscal Year 2023 and 2024 aligned the volunteer fire cost per member more closely to historic rates.

BOARD UPDATE:

Ms. Adams provided an overview of recent Board of Pension Trustees’ activity for the months of July, September, and October.

6. DEPUTY ATTORNEY GENERAL REPORT

There was nothing to report.

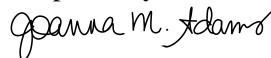
7. ADJOURNMENT

At 11:37 a.m., there being no further business:

MOTION was made by H. Stafford and seconded by K. White to adjourn the meeting.

MOTION ADOPTED UNANIMOUSLY

Respectfully submitted,



Joanna M. Adams
Pensions Administrator

Mark W Finfrock
Mark W Finfrock (Feb 12, 2024 15:26 EST)

Mark Finfrock, Chair
Audit Committee