

**STATE OF DELAWARE**  
**STATE BOARD OF PENSION TRUSTEES**  
**AND**  
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**BOARD OF PENSION TRUSTEES**  
**AUDIT COMMITTEE**  
**PUBLIC MINUTES OF FEBRUARY 10, 2023**

The meeting of the Audit Committee was called to order by Mark Finfrock, Chair, at 9:01 a.m., via video and teleconferencing.

**Committee Members Present**

Mark Finfrock  
Kathy White  
Stephen Ritchie  
Harold Stafford  
Joseph Seibert

**Committee Members Absent**

Tom Vermeer

**Others Present**

Joanna Adams, Pension Office  
Stephenie Tatman, Pension Office  
Khairat Makanjuola, Pension Office  
Josh Hitchens, Pension Office  
Vicki Schultes, Pension Office  
Ryan Connell, Deputy Attorney General  
William O'Brien, Deputy Attorney General

Victoria Calibey, BDO USA, LLP  
Keith Hammond, BDO USA, LLP  
Jim Doyle, BDO USA, LLP  
Mike Devitis, KPMG  
James Pollock, KPMG  
Drew Dinger, Windmark Investment Partners  
Sophia Smith, Windmark Investment Partners  
Courtney Stewart, Office of Management and Budget

**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 November 4, 2022, meeting. Several minor technical corrections were suggested.

**MOTION** made by H. Stafford and seconded by K. White to approve the Public Minutes of the November 4, 2022 meeting with technical corrections as noted.

**MOTION ADOPTED UNANIMOUSLY**

The Audit Committee reviewed the Executive Minutes of the November 4, 2022 meeting during Executive Session. Several minor technical corrections were suggested.

**MOTION** made by K. White and seconded by S. Ritchie to approve the Executive Minutes of the November 4, 2022 meeting with technical corrections as noted.

**MOTION ADOPTED UNANIMOUSLY**

**MOTION** made by K. White 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 to discuss confidential financial information, sensitive commercial information, proprietary business information, internal audit reports, and preliminary external audit reports.

**MOTION** made by H. Stafford and seconded by S. Ritchie to exit Executive Session.

**MOTION ADOPTED UNANIMOUSLY**

### **3. EXTERNAL AUDIT REPORT**

The GASB 68/75 Schedules Audit Planning Report was reviewed in Executive Session.

### **4. INTERNAL AUDIT REPORT**

#### INTERNAL AUDIT PLAN STATUS UPDATE:

The Internal Audit Report and Internal Audit Plan were reviewed in Executive Session.

**MOTION** made by H. Stafford and seconded by J. Seibert to approve the Internal Audit Report presented in Executive Session.

**MOTION ADOPTED UNANIMOUSLY**

**MOTION** made by K. White and seconded by H. Stafford to approve the Internal Audit Plan changes discussed in Executive Session.

**MOTION ADOPTED UNANIMOUSLY**

**MOTION** made by J. Seibert and seconded by K. White to approve revisions to the Fraud Policy discussed in Executive Session.

**MOTION ADOPTED UNANIMOUSLY**

## 5. PENSION ADMINISTRATOR'S UPDATE

### POSITIONS UPDATE:

Ms. Adams reported that six vacant positions are either in the posting, interview stage or in the process of preferred candidate selection. One vacancy is a Limited-Term (LT) Human Resource (HR) Analyst II that supports the Medicare Advantage program. Two additional positions support the Enterprise Resource Planning (ERP) modernization project and are dual encumbered. Several positions (classified as Limited Term (LT) – vested) are waiting for a 2-year extension. Once the extensions are approved, the Office of Pensions will be submitting hiring requests to the Department of Human Resources (DHR).

In addition, the Office of Pensions will follow up with DHR next week to check the status of the reclassification process for the vacant Human Resource Information System (HRIS) Lead position.

### LEGISLATIVE UPDATE:

Ms. Adams provided an overview of recent legislative activity:

- SENATE BILL 29 WITH SENATE AMENDMENT NO. 1 - To foster sustainability in state retiree healthcare benefits and the development of a plan for strong benefits beyond the current Medicare Supplement plan offered through January 1, 2024, this Act does the following:

- Expands the membership of the State Employee Benefits Committee by adding a state retiree to the Committee and adding an additional representative from public sector union organizations.
- Establishes the Retiree Healthcare Benefits Advisory Subcommittee of the State Employee Benefits Committee, whose membership will include three state retirees and four members of the General Assembly, and whose charge includes holding public meetings and issuing recommendations to the Governor and the General Assembly by May 1, 2023.

- SENATE BILL 42 - This Act increases the burial benefit for individuals eligible to receive a pension under the State Employees' Pension Plan (29 Del.C. Ch. 55) from \$7,000 to \$10,000. The burial benefit has not been increased since 2001 (See 73 Del. Laws, c. 146, § 5).

### OTHER NEWS:

- OTHER POST-EMPLOYMENT BENEFIT (OPEB) UPDATE – The initial hearing regarding the motion to stay in the proposed transition of State employee retiree Medicare supplement insurance to Medicare Advantage was held on November 28, 2022.

### FUTURES EXCHANGE (FTX) UPDATE:

- There was nothing to report in public session.

### CYBERSECURITY PRESENTATION FROM THE DEPARTMENT OF TECHNOLOGY AND INFORMATION (DTI):

- DTI Chief Security Officer Solomon Adote is scheduled to present during the February 24, 2023 Board of Pension Trustees meeting from 9:30 – 10:30.

**6. DEPUTY ATTORNEY GENERAL REPORT**

There was nothing to report.

**7. MEETING DATES FOR 2023:**

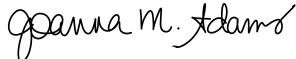
The Audit Committee meeting dates for 2023 were reviewed.

The next Audit Committee meeting is scheduled for May 12, 2023.

**8. ADJOURNMENT**

At 11:06 a.m., there being no further business, **MOTION** was made by K. White and seconded by H. Stafford to adjourn the meeting.

**MOTION ADOPTED UNANIMOUSLY**

Respectfully submitted,  


Joanna M. Adams  
Pensions Administrator

  
[Mark Finfrock \(May 19, 2023 11:41 EDT\)](#)

Mark Finfrock, Chair  
Audit Committee