

**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@delaware.gov](mailto:pensionoffice@delaware.gov)**

**Telephone (302) 739-4208**  
**FAX # (302) 739-6129**  
**[www.delawarepensions.com](http://www.delawarepensions.com)**

**BOARD OF PENSION TRUSTEES**  
**AUDIT COMMITTEE**  
**PUBLIC MINUTES OF JULY 14, 2023**

The meeting of the Audit Committee was called to order by Mark Finfrock, Chair, at 9:02 a.m., via video and teleconferencing.

**Committee Members Present**

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

**Others Present**

Joanna Adams, Pension Office  
Stephenie Tatman, Pension Office  
Khairat Makanjuola, Pension Office  
Josh Hitchens, Pension Office  
Jacqueline LaFace, Pension Office  
Vicki Schultes, Pension Office  
Ryan Connell, Deputy Attorney General

Dhruti Parikh, BDO USA, PA  
Jim Doyle, BDO USA, PA  
Keith Hammond, BDO USA, PA  
Mike DeVitis, KPMG  
Jason Freund, KPMG  
Sophia Smith, Windmark Investment Partners

**1. OPENING COMMENTS:**

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

**2. PUBLIC COMMENTS**

No public comments were presented.

**3. APPROVAL OF THE MINUTES:**

The Audit Committee reviewed the Public Minutes of the May 12, 2023, meeting.

**MOTION** made by T. Vermeer and seconded by K. White to approve the Public Minutes of the May 12, 2023, meeting with technical changes.

**MOTION ADOPTED UNANIMOUSLY**

The Audit Committee reviewed the Executive Minutes of the May 12, 2023, meeting during Executive Session. Technical changes were suggested.

**MOTION** made by H. Stafford and seconded by J Seibert to approve the Executive Minutes of the May 12, 2023, meeting with technical changes as noted.

**MOTION ADOPTED UNANIMOUSLY**

**MOTION** made at 9:07 a.m. 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.

**4. EXTERNAL AUDIT REPORT**

There was nothing to report.

**5. INTERNAL AUDIT REPORT**

INTERNAL AUDIT PLAN STATUS UPDATE:

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

**MOTION** made by K. White and J. Seibert to accept and approve the Internal Audit Report.

**MOTION ADOPTED UNANIMOUSLY**

**MOTION** made by J. Seibert and seconded by S. Ritchie to accept and approve the Fiscal Year 2024 Internal Audit Plan.

**MOTION ADOPTED UNANIMOUSLY**

**MOTION** made by K. White and seconded by H. Stafford to accept and approve the Fraud Policy, with no recertification requirement.

**MOTION ADOPTED UNANIMOUSLY**

## 6. PENSION ADMINISTRATOR'S UPDATE

### EMPLOYEE RECOGNITION:

J. Adams introduced J. LaFace, Administrative Specialist III and the newest member of the Support Services team. J. LaFace joined the Office of Pensions staff in May 2023.

J. Adams recognized K. Makanjuola for her previous work as Cash and Debt Manager as well as in her present role as Internal Audit Director. K. Makanjuola recently participated in and graduated from the James H. Gilliam, Sr. Fellowship (Fellowship). This fellowship is a program where diverse leadership converges to work collaboratively in communities while building their capacity as policymakers, advocates, and community organizers. During this 10-month immersive fellowship, the Fellows gain knowledge and experience in policy research and coalition building and learn to navigate Delaware's economic and political arenas from a host of legislators, community advocates, and business leaders across the First State. This program required a significant personal commitment. The skills and knowledge that resulted from the Fellowship experience will greatly benefit K. Makanjuola in her role as Internal Audit Director.

### POSITIONS UPDATE:

J. Adams reported on vacant positions. The Human Resource Supervisor (for the Benefits section) and Human Resource Analyst I position (Pension Calculation section) have posted after becoming vacant due to internal promotion. These new hires should be on board by the November 8, 2023, Audit Committee meeting. The Administrative Specialist II position is in the process of being reclassified to support the Contact Center, which has been a big success for the office.

In addition, the Request to Fill for K. Makanjuola's former (and recently reclassified) position has been submitted to the Department of Human Resources (DHR) for posting. As soon as the Cash and Debt Manager candidate is hired, K. Makanjuola will work with them for training purposes and ensure that the Annual Comprehensive Financial Report (ACFR) is processed in a timely manner.

### LEGISLATIVE UPDATE:

J. Adams provided an overview of recent legislative activity that was passed by the General Assembly and signed by the Governor:

- HOUSE BILL 63:
  - This Act allows pensioners to earn \$50,000 annually (instead of \$40,000) before incurring a \$1.00 reduction in their state pension for every \$2.00 earned over that amount. This was signed into law on June 27, 2023.
- HOUSE BILL 195 (STATE OPERATING BUDGET):
  - This Act results in the provision of substantial revenue for the Office of Pensions/DPERS. Roughly \$4.5 million has been dedicated to the Delaware Volunteer Firemen's Length of Service Program (LOSAP). This will offset the volunteer firemen's unfunded liability amount so the normal cost will still be double, but the portion the fire companies pay for the unfunded portion will be reduced. All fire companies deposit \$2 million collectively in employer contributions, so this \$4.5 million helps employer contributions remain at \$2 million instead of \$2.5 million.
- SENATE BILL 175:
  - This Act requires that every year, at least 1% of the grand total of all General Fund operating budget appropriations for the prior fiscal year is appropriated to the Other Post-Employment Benefits (OPEB) Fund. This Act has passed and is on a House consent agenda today (June 30, 2023). This Act will help continue to fund OPEB.

RETIREE HEALTHCARE BENEFITS ADVISORY SUBCOMMITTEE (RHBAS) - This subcommittee was created to receive public comment and conduct public meetings about current and future state retiree healthcare benefits, evaluate options for continuing to provide strong healthcare benefits in a fiscally sustainable way, and issue findings and recommendations to the Governor and General Assembly. The RHBAS is currently meeting twice a month and will continue to meet throughout the summer.

OTHER NEWS:

J. Adams reported on the following:

- The DPERS mobile app has been fully launched and is being promoted aggressively with our members.
- K. Miller, our Northern Trust client executive, has announced her retirement effective the beginning of August 2023. K. Miller will be onsite in Dover with her replacement on July 26, 2023, to make introductions and assist in the transition.
- Several Volunteer Fire Companies are in the process of either enrolling for the first time or transferring from the County and Municipal General Pension Plan to the County and Municipal Police/Firefighter Pension Plan for their eligible employees.
- ERP Modernization Project continues to move forward. The goal date for completion of the draft Request for Proposal is the end of this calendar year. The documentation of business requirements is ongoing.

S. Tatman reported on the following:

- BDO's contract extension for external audit services has been finalized.
- The Board of Pension Trustees voted at their June 30, 2023, meeting to accept the recommendations of the Technical Review Committee to select Cheiron for the actuarial services contract, and Buck Global, LLP for the actuarial audit, all subject to legal review of the contracts' terms and conditions.

**7. DEPUTY ATTORNEY GENERAL REPORT**

There was nothing to report.

**MOTION** made at 10:57 a.m. by H. Stafford and seconded by T. Vermeer to exit Executive Session.

**MOTION ADOPTED UNANIMOUSLY**

**8. MEETING DATES FOR 2023**

The next Audit Committee meeting is scheduled for November 8, 2023.

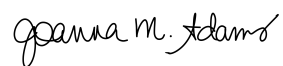
**9. ADJOURNMENT**

There being no further business:

**MOTION** was made at 11:17 a.m. by S, Ritchie and seconded by T. Vermeer to adjourn the meeting.

**MOTION ADOPTED UNANIMOUSLY**

Respectfully submitted,



Joanna M. Adams  
Pensions Administrator

Mark Finfrock  
Mark Finfrock (Dec 8, 2023 13:55 EST)

Mark Finfrock, Chair  
Audit Committee