

Meeting Minutes | Finance, Administration, Audit and Compliance (FAAC) Committee

Wednesday, June 14, 2017 | 2:00 p.m.
200 Arbor Lake Dr., Columbia, SC 29223 | Second Floor Conference Room

Minutes Approved August 17, 2017

Board Members Present: Mr. Frank Fusco and Chairman Steve Matthews

Others Present for All or a Portion of the Meeting: Shawunda Baker, Peggy Boykin, Sarah Corbett, Doug Hislop, James Manning, Heather Muller, John Page, Tammy Nichols, Travis Turner, Stephen Van Camp, Angie Warren, Justin Werner, and Heather Young from the South Carolina Public Employee Benefit Authority (PEBA); and Mike Heale from CEM Benchmarking.

I. Call to Order

Chairman Steve Matthews called the PEBA Finance, Administration, Audit and Compliance (FAAC) Committee meeting to order at 2:04 p.m., and stated that the public meeting notice was posted in compliance with the Freedom of Information Act.

II. Adoption of Proposed Agenda

Mr. Frank Fusco made a motion, which was seconded by Chairman Steve Matthews, and passed unanimously, to adopt the proposed meeting agenda.

III. Approval of Meeting Minutes- March 22, 2017

Mr. Fusco made a motion, which was seconded by Chairman Matthews, and passed unanimously, to approve the minutes from the March 22, 2017, Committee meeting.

IV. FY 2016 Defined Benefit Plan Benchmarking Analysis

Mr. Mike Heale, Principal, CEM Benchmarking, presented PEBA's Pension Administration Benchmarking Results for Fiscal Year 2016. Mr. Heale stated that the purpose of benchmarking is to measure and manage cost and service. Mr. Heale reported that PEBA's total pension administration cost was \$14.2 million, or \$33 per active member and annuitant, which is \$47 below the peer average of \$80, and the fourth lowest cost in the peer universe. Mr. Heale added that PEBA's cost per member was the lowest in all pension administration categories. Mr. Heale advised that PEBA's total service score was 73, which is below the peer median of 81, and has remained stable over the last four years.

Ms. Peggy Boykin, Executive Director, added that the implementation of the Operational Assessment project, Peba:connect, will help to increase PEBA's total service score by enhancing existing customer service and providing a one-stop secure portal.

V. Internal Audit Reports

Mr. John Page, Director of Internal Audit, provided the PEBA internal audit reports including:

- A. Internal Audit Report on Data Security- Removable Media
- B. Memo- Data Reliability- Analytics
- C. Memo- Internal Revenue Code (IRC) Compliance- Retirement Plans
- D. Update - Internal Audit Plan Status Report

VI. Old Business/Director's Report

Mr. Fusco made a motion, which was seconded by Chairman Matthews, and passed unanimously, to approve the Enterprise Risk Management and Compliance Charter as presented.

Ms. Boykin stated that she would provide the Director's Report at the full Board meeting.

VII. Adjournment

There being no further business, and upon a motion from Mr. Fusco, which was seconded by Chairman Matthews, and approved unanimously, the Committee meeting adjourned at 3:15 p.m.