

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

Wednesday, March 7, 2018 | 8:30 a.m.
200 Arbor Lake Dr., Columbia, SC 29223 | Second Floor Conference Room

Meeting Minutes Approved July 25, 2018

Board Members Present: Chairman Steve Matthews, Mr. Audie Penn, Mr. Chuck Richardson, and Mr. Alex Shissias

Others Present for All or a Portion of the Meeting: Shawunda Baker, Peggy Boykin, Sarah Corbett, Joe Greene, Doug Hislop, James Manning, Heather Muller, Tammy Nichols, John Page, Travis Turner, and Stephen Van Camp from the South Carolina Public Employee Benefit Authority (PEBA); and Allen Townsend from the South Carolina Office of the State Treasurer.

I. Call to Order

Chairman Steve Matthews called the PEBA Finance, Administration, Audit and Compliance (FAAC) Committee meeting to order at 8:32 a.m., and stated that the public meeting notice was posted in compliance with the Freedom of Information Act.

II. Approval of Meeting Minutes- September 21, 2017

Mr. Alex Shissias made a motion, which was seconded by Mr. Chuck Richardson, and passed unanimously, to approve the minutes from the September 21, 2017, Committee meeting.

III. Peba:connect Project Update

Ms. Sarah Corbett, Chief Operating Officer, provided an update regarding PEBA's IT modernization project, peba:connect. Ms. Corbett informed the Committee that the procurement protest has been resolved. Linea Solutions is the client services vendor for the project, and is working onsite with staff to develop the Request for Proposal (RFP) for both data and implementation vendors. Ms. Corbett also advised that PEBA has developed a Steering Committee to ensure that the project is moving forward as efficiently as possible.

IV. Internal Audit Reports

Mr. John Page, Director of Internal Audit, and Ms. Shawunda Baker, Internal Auditor, provided the PEBA internal audit reports including:

- A. Internal Audit Report 2017-5 Retirement QA
- B. Internal Audit Report 2017-6 Retirement AFC
- C. Internal Audit Report 2017-8 Cash Account Reconciliations
- D. Memo to FAAC- Retirement Plan Compliance (Part III NTIS)

- E. Memo to FAAC- Annual Certification of No Conflicts
- F. Memo to FAAC - Internal Audit Plan Status Report
- G. Memo to FAAC - SC PEBA Internal Audit Plan 2018

Mr. Shissias made a motion, which was seconded by Mr. Richardson, and passed unanimously, to recommend to the full Board approval of the 2018 Internal Audit Plan.

V. Old Business/Director's Report

Ms. Peggy Boykin, Executive Director, stated that the budget has passed the full Ways and Means Committee, and will be debated on the House floor next week, before passing to the Senate. Ms. Boykin advised that the House approved PEBA's operating budget as requested. The additional budget authorization of \$10 million of reoccurring funds for PEBA's IT modernization project which was approved in fiscal year 2018, but categorized incorrectly as non-reoccurring funds, will be restructured in 2019 to reflect the appropriate reoccurring fund category. PEBA also received authorization for an additional 10 FTEs for the duration of the project.

Ms. Boykin reported that the House budget include \$56.4 million in appropriated money to fund the State Health Plan, which includes well visits as a contractual service, with a modest increase in copayments, deductibles, and coinsurance maximums, to maintain grandfathered status. There will be no premium increase for employees. The budget also includes \$33 million from the General Fund to cover the state's share of the one percent retirement contribution increase, as well as \$4.2 million for the Educational Improvement Act's share of the one percent retirement contribution increase, and \$475,000 to fund the South Carolina National Guard Plan.

VI. Adjournment

There being no further business, and upon a motion from Mr. Shissias, which was seconded by Mr. Richardson, and approved unanimously, the Committee meeting adjourned at 9:25 a.m.