

SC PUBLIC EMPLOYEE BENEFIT AUTHORITY- BOARD OF DIRECTORS
Finance, Administration, Audit & Compliance Committee- MINUTES Adopted 8/16/13
202 Arbor Lake Drive, Columbia SC, Main Conference Room 2nd Floor
Tuesday, June 4, 2013 – 10:00 a.m.

FAAC Committee Members Present:

Mr. Steve Matthews, Chairman (by telephone)
Sheriff Leon Lott (by telephone)
Ms. Peggy Boykin
Mr. Art Bjontegard

Other Board Members Present:

Mr. Frank Fusco

Others present for all or a portion of the meeting:

David Avant, Lil Hayes, Stephen Van Camp, and Travis Turner with the Public Employee Benefits Authority (PEBA); Wayne Pruitt with the State Retirees Association.

AGENDA

1. CALL TO ORDER; ADOPTION OF PROPOSED AGENDA

Chairman Matthews called the meeting to order at 10:00 a.m. Ms. Hayes confirmed meeting notice compliance with the Freedom of Information Act. Mr. Matthews asked for a motion to adopt the proposed agenda. Mr. Bjontegard moved for adoption. Ms. Boykin seconded. The agenda was unanimously approved.

2. Approval of Meeting Minutes- April 16, 2013

Chairman Matthews suggested amendments to the April 16, 2013 FAAC Committee meeting minutes. Discussion followed concerning the items to remove from the minutes. Staff was asked to bring corrections back to the committee for final approval in the next FAAC meeting.

3. Old Business:

a. Internal Auditor Position

Chairman Matthews asked if this proposed position would be a new position, since there is already an Internal Auditor in place. Mr. Avant responded that the current position would be restructured and this position would replace the old Internal Auditor position. There are newer investment valuation functions relating to the Retirement System Investment Commission that have fallen on the current Internal Auditor but should be done separately by this new position. After further discussion, Mrs. Boykin advised that as they evaluate the job description of the Internal Auditor, that examples of Position Descriptions from other states could be gathered from NASRA [National Association of State Retirement Administrators]. Information could also be gathered on other state's reporting structure and auditing functions from NASRA, NAPPFA [National Association of Public Pension Attorneys] and APPFA [Association of Public Pension Fund Auditors]. Mr. Avant said he would contact other states to get their best practices and report back to the FAAC Committee members via email prior to the next meeting.

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b. Strategic Planning

Mr. Bjontegard suggested Board members need to give input before the next Board meeting. Staff was instructed to solicit input from all Board members via email on revisions to the draft plan as well as overall short term and long term goals for the Board.

c. Fiduciary Liability Insurance Policy (FLIP) Request for Proposal (RFP)

Mr. Avant gave an update on the RFP for the FLIP. The deadline for potential questions regarding the request for a proposal was May 17, 2013. There were no questions submitted. All RFP proposals were due to PEBA by June 4, 2013 at 3:00 PM. The policy will cover all fiduciaries for the Retirement Systems Trust Fund: PEBA Board members, Budget & Control Board members and the members of the Retirement Systems Investment Commission. The premiums come from the Trust Fund assets.

4. New Business

- a. Mr. Bjontegard had one item for new business: He received a letter from the Agency Head Salary Commission and noted that the review of the Interim Executive Director would be on the Board agenda later in June.

5. Adjournment

There being nothing further to discuss, Chairman Matthews requested a motion to adjourn. The committee unanimously voted to adjourn at 11:25 a.m.