

**South Carolina Retirement System Investment Commission
Audit and Enterprise Risk Management Committee Meeting
Minutes**

**June 13, 2023 11:00 a.m.
Capitol Center
1201 Main Street, Suite 1510
Columbia, South Carolina 29201
Meeting Location: Video Presentation**

Committee Members Present:
Ms. Peggy Boykin, Acting Chair
Mr. William J. Condon, Jr. (absent)
Mr. Kenneth F. Deon

I. Call to Order and Consent Agenda

Acting Chair Ms. Peggy Boykin called the meeting of the Audit and Enterprise Risk Management Committee (“Committee”) of the South Carolina Retirement System Investment Commission (“RSIC”) to order at 11:03 a.m. Mr. Kenneth F. Deon made a motion, which was seconded by Acting Chair Boykin, to adopt the agenda as presented, and it was unanimously approved.

II. Approval of Minutes (December 12, 2022)

Acting Chair Boykin referred to the draft minutes from the Committee’s December 12, 2022, meeting. Mr. Deon made a motion to adopt the minutes from the December 12, 2022, Committee meeting as presented. Acting Chair Boykin seconded the motion, and it was unanimously approved.

III. Election of Committee Chair

Acting Chair Boykin referenced the need for nominations for the position of Chair of the Committee. She then nominated Mr. Deon for the position of Chair. After doing so, Acting Chair Boykin noted that Mr. William J. Condon, Jr., is absent from the meeting, and accordingly, the vote on the nomination should be delayed until the Committee’s next meeting.

IV. Internal Audit Update

The Committee received a report that the Global Investment Performance Standards (“GIPS”) Verification Review (“GIPS Review”) for Fiscal Year-End June 30, 2022, was completed, and there were no findings.

Next, the Committee received a report from The Hobbs Group, PA (“Hobbs Group”) regarding the Fiscal Year-End June 30, 2022, agreed-upon procedures (“AUP”) review related to RSIC’s procurement areas, which include cash receipts, cash disbursements, payroll, journal entries, and the Appropriations Act functions. The Hobbs Group had no findings.

The Committee also received a report regarding the annual AUP review of investment valuation, due diligence, and staff compliance for Fiscal Year-End June 30, 2022. Crowe, LLP, which is the new firm performing the annual review of the South Carolina Retirement Systems' Annual Comprehensive Financial Report, performed the review and had no material findings.

After some discussion, the Committee received an update on a staffing change with respect to Deloitte & Touche, LLP ("Deloitte"). Ms. Tina Griffiths, Managing Director with Deloitte, will be replacing Mr. Mike Brodsky, Managing Director, as the relationship lead.

The Committee then turned to a report from Deloitte regarding the Data Governance Maturity Self-Assessment Review ("Data Governance Review"). Deloitte reported that the overall rating for RSIC's data governance program is "defined/initiated", which Deloitte reported is appropriate for an organization of RSIC's size and maturity. Deloitte noted that RSIC can improve its overall data governance by: (1) utilizing RSIC's IT Steering Committee as a data governance council; (2) formalizing roles and responsibilities; (3) centralizing policies and standards; and (4) standardizing data quality methods across the organization. RSIC Staff ("Staff") noted that work is underway to address Deloitte's recommendations as appropriate.

Following a conversation about the Data Governance Review, Deloitte provided an overview regarding RSIC's Internal Audit Recommendation Follow-Up Tracker ("Follow-Up Tracker"), which contains all of the findings that resulted from Deloitte's reviews of RSIC to date as well as the actions taken by Staff to address those findings. Deloitte reported that all of the findings and actions have been followed up on by Staff and no further action is required.

Staff then provided an update on the Investment Risk Maturity Assessment noting that it is ongoing but should be completed soon. Afterwards, Deloitte reviewed the scope for the Third-Party Risk Management Review ("TPRM Scope"), which Deloitte will be performing. Thereafter, Mr. Deon made a motion to approve the proposed TPRM Scope as presented by Deloitte. Acting Chair Boykin seconded the motion, and it was unanimously approved.

V. Enterprise Risk Management and Compliance Updates

The Committee received an update on routine compliance matters, and it was reported that no material exceptions were noted.

The Committee received an update on ERM-related matters and noted that progress towards building out RSIC's ERM function is ongoing.

VI. Executive Session

Acting Chair Boykin noted that no Executive Session was required for the meeting and moved on to the next agenda item.

VII. Adjourn

There being no further business, Mr. Deon made a motion to adjourn, and Acting Chair Boykin seconded the motion, which was unanimously approved.

[Staff Note: In compliance with S.C. Code Ann. Section 30-4-80, public notice of and the agenda for this meeting were delivered to the press and to parties who requested notice and were posted on June 8, 2023, at 10:08 a.m., at the entrance, in the lobbies, and near the 15th Floor Presentation Center at 1201 Main Street, Columbia, S.C.]