

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

**April 23, 2025 11:00 a.m.
Capitol Center
1201 Main Street, Suite 1510
Columbia, South Carolina 29201
Meeting Location: Video Presentation**

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

I. Call to Order and Consent Agenda

Chair Mr. Kenneth F. Deon called the meeting of the Audit and Enterprise Risk Management Committee (“Committee”) of the South Carolina Retirement System Investment Commission (“RSIC”) to order at 11:08 a.m. Chair Deon made a motion, which was seconded by Mr. William C. Condon, Jr., to adopt the proposed agenda as presented, and it was unanimously approved.

II. Approval of Minutes (December 18, 2024)

Chair Deon referred to the draft minutes from the Committee’s December 18, 2024, meeting. Ms. Peggy Boykin made a motion to adopt the minutes from the December 18, 2024, Committee meeting as presented. Mr. Condon seconded the motion, and it was unanimously approved.

III. Internal Audit Update

Chair Deon then asked for the Internal Audit (“IA”) update. The Committee received a report from The Hobbs Group, PA (“Hobbs Group”) regarding the Fiscal Year-End June 30, 2024, agreed-upon procedures (“AUP”) review related to RSIC’s procurement areas, which includes cash receipts, cash disbursements, payroll, journal entries, and the Appropriations Act functions. The Hobbs Group had no findings.

Mr. Mitchell Goldsmith, Senior Legal Counsel, informed the Committee that Deloitte & Touche, LLP (“Deloitte”) has begun the ride along engagement for the Custody RFI Process Review. Next, he explained that Deloitte is proposing an IA Remediation Review (“Remediation Review”) that will assess RSIC management’s efforts to address prior engagement recommendations. He then introduced Mr. Craig Stanton, a Senior Manager with Deloitte, to further explain the Remediation Review. Mr. Stanton explained the Remediation Review will cover engagements completed from fiscal year 2020 through 2024 and will examine the status of prior recommendations.

Following some discussion, Mr. Condon made a motion to approve the Remediation Review Scope as presented by Deloitte. Ms. Boykin seconded the motion, and it was unanimously approved.

Mr. Stanton continued by explaining that Deloitte is also proposing an engagement relating to RSIC's information technology vulnerability management program ("Vulnerability Review"). He stated that the Vulnerability Review will explore how RSIC identifies, evaluates, and mitigates security weaknesses in systems. Deloitte will be examining policies and procedures as well as assessing management of technology assets. The Vulnerability Review will also cover patch management and reliance on third party services.

With no questions, Chair Deon made a motion to approve the Vulnerability Review as presented by Deloitte. Mr. Condon seconded the motion, and it was unanimously approved.

Next, Mr. David Guthrie, a Manager with Deloitte, presented a scope for the Reporting and Performance Review ("Reporting Review"). Mr. Guthrie explained that the Reporting Review will examine the data governance practices and policies around data collection, validation, and analysis relating to RSIC's reporting program. The Reporting Review will also focus on any reliance on third party data and procedures for validating that data.

Following some discussion, Ms. Boykin made a motion to approve the Reporting Review Scope as presented by Deloitte. Mr. Condon seconded the motion, and it was unanimously approved.

IV. Compliance and Enterprise Risk Management Updates

The Committee received an update on routine compliance matters. Ms. Michelle Kennedy, Director of Compliance and Enterprise Risk Management ("ERM"), reported that no material exceptions were noted. Next, Ms. Kennedy reviewed RSIC's ERM heat map and noted that she had incorporated Deloitte's most recent updates to the risk rankings.

V. Executive Session

Ms. Boykin made a motion to recede into Executive Session to discuss investment matters related to internal audit reviews pursuant to S.C. Code Sections 9-16-80 and 9-16-320; to discuss negotiations incident to proposed contractual matters and to receive legal advice pursuant to S.C. Code Section 30-4-70(a)(2); and to discuss the development of security personnel or devices pursuant to S.C. Code Section 30-4-70(a)(3). Mr. Condon then seconded the motion, and it was unanimously approved. The Committee then receded into Executive Session.

VI. Potential Actions Resulting from Executive Session

The Committee met in Executive Session to discuss investment matters related to internal audit reviews pursuant to S.C. Code Sections 9-16-80 and 9-16-320; to discuss negotiations incident proposed contractual matters and to receive legal advice pursuant to S.C. Code Section 30-4-70(a)(2); and to discuss the development of security personnel or devices pursuant to S.C. Code Section 30-4-70(a)(3). Chair Deon stated that no action was taken during Executive Session.

VII. Adjourn

There being no further business, Ms. Boykin made a motion to adjourn, and Mr. Condon 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 April 21, 2025, at 11:25 a.m., at the entrance, in the lobbies, and near the 15th Floor Presentation Center at 1201 Main Street, Columbia, S.C.]