

Minutes of the Audit, Risk and Compliance Committee Meeting

Tuesday, April 29, 2025, 12:30 p.m.

Board Room, 30 North 3rd St., Harrisburg, PA 17101

Also available via Microsoft Teams and Livestream Access

Attendees:

Audit, Risk and Compliance Committee Members and Designees:

Christopher Craig, Designee for Treasurer Garrity
Seamus Dubbs, Designee for Secretary Spicher
Donald Enders Jr.
Michael Heckmann, Designee for Representative Miller
Treasurer Stacy Garrity
Jeffrey Soderstedt, Designee for Secretary Spicher
Jill Vecchio, Designee for Representative Miller
Thomas Waters, Designee for Treasurer Garrity

Other Board Members and Designees:

Russell Faber
Matt Lindsay, Designee for Senator Hughes
Gregory Thall, Board Chairman

SERS Staff:

Joseph Auchey
Kelly Bernhard
Beth Christian
Cindy Collins
Jo Ann Collins
Brenda Cunard
Thomas Derr
Danell Frank
Taylor Frey
Randy Gilson
Pam Hile
Dan Krautheim
N. Joseph Marcucci
Ryan McCoy
Michael McGeoy
Sara McSurdy
Catherine Nolan

Jon Ryan
Michele Shaner
Steven Skoff
Matthew Soule
Joseph Torta
Cara Trego
Rae Ann Tronetti
Mark Walter
Sheila Willrich
Courtney Yurovich
Shannon Zimmerman

Weber Business Service

Liza Weber

Clifton Larson Allen

Joel Eshleman

Rock the Capital

Brian Kimmett

1. Call to Order

Prior to the meeting starting, the Committee members were informed that the meeting would be recorded. Treasurer Garrity, called the meeting to order, at 12:37 p.m.

2. Welcome and Roll Call

Mr. McCoy, Internal Audit Director, took a roll call and stated a quorum was present.

3. Approval of Minutes

Treasurer Garrity presented the minutes from the February 25, 2025, Audit, Risk and Compliance Committee meeting to the committee.

Motion:

By motion that was moved by Treasurer Garrity and approved unanimously by committee members, it was;

RESOLVED: That this committee approves the meeting minutes from the February 25, 2025, Audit, Risk and Compliance Committee meeting.

4. Old Business – None**5. Special Presentations – None**

6. New Business – Mr. McCoy, in conjunction with Liz Weber, presented the Internal Audit Office's Strategic Plan for the period of July 1, 2025, through June 30, 2029. During the

presentation Mr. McCoy noted the strategic plan as a requirement for conformance to the updated Global Internal Audit Standards. Mr. McCoy and Ms. Weber provided an oversight of the plan's vision, mission, values, strategic objects, strategic goals, and how Internal Audit plans to achieve them year over year. Mr. McCoy asked that the Committee review the attached draft strategic plan and provide any feedback or questions that they have prior to requesting recommendation for Board approval at the June 10, 2025, Audit, Risk and Compliance Committee meeting.

Treasurer Garrity then asked Mr. McCoy to present the changes that the Internal Audit Office made to the Board approved Internal Audit Office Charter, which were necessary to conform to the updated Global Internal Audit Standards. He provided a high-level summary of how the changes to the charter impact the purpose statement, authority, independence, ethics, scope of work, and accountability over the internal audit function. Once finished with his presentation, Mr. McCoy asked the Committee to provide a motion to recommend approval of the Internal Audit Office Charter by the full Board. Treasurer Garrity put forth a motion to recommend Board approval of the Internal Audit Office Charter and the motion was approved unanimously.

Treasurer Garrity then asked Mr. McCoy to provide his Internal Audit Office Update. First, Mr. McCoy gave a high-level update on the external financial statement audit currently being conducted by KPMG. He noted that the firm is on track to meet all established deadlines and will have the completed statements for Audit, Risk and Compliance Committee review at the June 10, 2025, Committee meeting.

Next, Mr. McCoy provided the Committee with an update on the completion of their Board approved 2025 internal audit plan. He confirmed with the Committee that the Benefit Payment Review is in its final stages and should be ready for Committee review by the June 10, 2025, meeting, which is currently in line with the plan. He then informed the Committee that their Data Privacy and Protection audit commenced at the beginning of April and based on feedback from Treasurer Garrity and her designees, have refined the scope of the engagement to include a detailed look at the controls surrounding account change authentication at the agency level and third-party level. Mr. McCoy informed the Committee that they will try to have the data protection portion of the audit to the Committee for review at the June 10, or July 22, 2025, Audit, Risk and Compliance Committee meeting. He believes that the full audit will be completed and presented to the Committee by the September 30, 2025, meeting.

7. Executive Session

At 12:59 p.m., the Committee then entered into executive session to review and discuss committee business which, if conducted in public, would violate a lawful privilege, or lead to the disclosure of information that is confidential or protected by law, or that is otherwise allowed under the Sunshine Act to be conducted in a closed meeting. The topics covered in executive session included:

- SOC Audit Update
- Fraud Hotline Update

8. Public Session Resumes

9. Committee Comments/Concerns/Questions – None

10. Motion to Adjourn

By motion that was moved and approved unanimously by committee members, it was;

RESOLVED: That this meeting be adjourned at 1:23 p.m.

Respectfully submitted,



Ryan P. McCoy, CIA
Internal Audit Director