

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

April 13, 2017

**Capitol Center
1201 Main Street, Suite 1410
Columbia, South Carolina 29201**

Committee Members Present:

Mr. Allen Gillespie, Chair
Ms. Peggy Boykin
Mr. Edward Giobbe

Others present for all or a portion of the meeting on Thursday, April 13, 2017: Andrew Chernick, Dori Ditty, John Farmer, Michael Hitchcock and Tricia Miller from the South Carolina Retirement System Investment Commission.

I. Call to Order; Adoption of Proposed Agenda

Mr. Allen Gillespie called the meeting of the Audit and Enterprise Risk Management Committee (“Committee”) of the South Carolina Retirement System Investment Commission (“RSIC”) to order at 9:03 a.m. Ms. Peggy Boykin made a motion, which was seconded by Mr. Edward Giobbe, and passed unanimously, to approve the agenda as presented.

II. Approval of Minutes (February 9, 2017)

Mr. Gillespie referred to the draft minutes from the February 9, 2017 Committee meeting and asked if there were any objections or corrections. Ms. Boykin made a motion to adopt the minutes from the February 9, 2017 Committee meeting as presented. Mr. Giobbe seconded the motion, and it was unanimously approved.

III. Compliance Update

Mr. Gillespie introduced Mr. Andrew Chernick to provide an update for the compliance function for the Committee. Mr. Chernick informed the Committee that there were no material exceptions during the compliance review for the quarter ending December 31, 2016. He added that the review for the quarter ending March 30, 2017 would be completed during the next month. Mr. Chernick stated that all full-time employees have completed the annual compliance training except one staff member who had been on an excused extended absence. Mr. Chernick also confirmed that all Commissioners had signed and returned the annual Code of Ethics Acknowledgment form.

IV. Internal Audit Update

Following the Compliance Update, Mr. Chernick was asked to provide an update regarding the Internal Audit function. Mr. Chernick noted that a review of the Risk Assessment and historical audit plans had been reviewed to determine whether any areas noted as “high risk” had not been reviewed in the prior audit projects. He confirmed that there were no areas deemed high risk in the assessment that had not been reviewed and reported to the Committee. Mr. Gillespie asked for input on the timing for developing the next Audit Plan. Ms. Boykin noted that PEBA’s internal auditor had recently worked with Mr. Chernick to

develop PEBA's Audit Plan and during the process they made sure that no important issues were unaddressed at the time for the Commission's audit program. Based on the discussion, the Committee agreed to revisit the topic when appropriate staff was hired for the audit and compliance role.

V. Executive Session

Mr. Giobbe made a motion to enter into Executive Session to discuss personnel matters and to receive legal advice pursuant to S.C. Code Ann. § 30-4-70(a)(1)-(2). Ms. Boykin seconded the motion, and it was unanimously approved.

VI. Potential Action Resulting from Executive Session

The Committee reconvened in open session and Mr. Gillespie reported that the Committee met in Executive Session to discuss personnel matters and receive legal advice. He also reported that no action was taken during Executive Session.

VII. Adjournment

There being no further business, Ms. Boykin made a motion to adjourn. Mr. Giobbe seconded the motion, which passed unanimously.

[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 at the entrance, in the lobbies, and near the 15th Floor Presentation Center at 1201 Main Street, Columbia, S.C., at 9:36 a.m. on April 10, 2017.]