

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

**June 6, 2024 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
Mr. William J. Condon, Jr.

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 11:01 a.m. Ms. Peggy Boykin made a motion, which was seconded by Mr. William J. Condon, Jr., to adopt the proposed agenda as presented, and it was unanimously approved.

II. Approval of Minutes (February 14, 2024)

Chair Deon referred to the draft minutes from the Committee’s February 14, 2024, meeting. Mr. Condon made a motion to adopt the minutes from the February 14, 2024, Committee meeting as presented. Ms. Boykin 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, 2023, 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.

Then, Mr. Mitchell Goldsmith, Senior Legal Counsel, explained that Deloitte & Touche, LLP (“Deloitte”) completed the Investment Risk Management Maturity Assessment, which was designed to assess the maturity of RSIC’s investment risk capabilities and identify opportunities for enhancement. He then introduced Mr. Craig Stanton, a Senior Manager with Deloitte, who provided an overview of Deloitte’s methodology that included observing culture, governance, people, process, as well as data and technology. Mr. Stanton explained that Deloitte utilizes a scale of maturity levels that ranges from initial, reactive, evolving, integrated, to optimized. Overall, RSIC’s risk management maturity is rated as evolving and moving towards integrated, which Mr. Stanton noted is in line with standard practices. He underscored that an optimized rating is not necessary for every

organization. Mr. James Wingo, Head of Quantitative Solutions Group, then provided an overview of the recommendations and a timeline for their implementation.

Next, Mr. Goldsmith reported that the Liquidity Risk Management Review is underway. He then reported that the Deloitte Team has begun the Business Continuity & Disaster Recovery Plan Review (“BC/DRP Review”), but the Committee will need to formally approve a scope for the BC/DRP Review. Mr. David Guthrie, an Advisory Manager with Deloitte, explained that the purpose of the BC/DRP Review is to provide assurance around the effectiveness of controls and that processes are well-established. He then concluded his presentation.

Hearing no questions, Chair Deon made a motion to approve the scope of the BC/DRP Review as presented by Deloitte. Mr. Condon seconded the motion, and it was unanimously approved.

Mr. Goldsmith then overviewed some routine reviews that will be completed before the end of the calendar-year and then concluded his presentation.

IV. Compliance and Enterprise Risk Management Updates

The Committee received an update on routine compliance matters. Ms. Michelle Kennedy, Director of Compliance and ERM, reported that no material exceptions were noted. Next, Ms. Kennedy reviewed RSIC’s current ERM dashboard and noted that service provider risk had decreased.

V. Executive Session

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

VI. 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 June 4, 2024, at 9:22 a.m., at the entrance, in the lobbies, and near the 15th Floor Presentation Center at 1201 Main Street, Columbia, S.C.]