

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

**October 22, 2024 2:00 p.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.

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 2:02 p.m. Mr. William J. Condon, Jr., made a motion, which was seconded by Ms. Peggy Boykin to adopt the proposed agenda as presented, and it was unanimously approved.

II. Approval of Minutes (June 6, 2024)

Chair Deon referred to the draft minutes from the Committee’s June 6, 2024, meeting. Ms. Boykin made a motion to adopt the minutes from the June 6, 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. Mr. Mitchell Goldsmith, Senior Legal Counsel, began by explaining that Deloitte & Touche, LLP (“Deloitte”) completed the Liquidity Risk Management Review, which was designed to assess the risks associated with the portfolio’s liquidity positions and focused on the design and effectiveness of controls to manage liquidity. He then introduced Mr. Craig Stanton, a Senior Manager with Deloitte, who provided an overview of Deloitte’s methodology that included focusing on fund contributions, meeting beneficiary distributions, and funding new investments as well as funding existing investment obligations. Overall, Deloitte noted three opportunities for improvement that all represent moderate risks: (1) further defining RIC’s liquidity policies and defining procedures for liquidity risk management; (2) further defining RSIC’s contingency funding plan; and (3) moving away from manual reporting for liquidity management decisions. Following some discussion with the Commissioners, Mr. Stanton concluded his presentation.

Next, Chair Deon asked for the report on the Business Continuity & Disaster Recovery Plan Review (“BC/DRP Review”). Mr. Stanton explained that the purpose of the BC/DRP Review was to assess whether RSIC has a BC/DRP plan that meets its operational and

structural requirements. The BC/DRP Review also included an assessment of RSIC's activities to test the related processes and procedures. Mr. Stanton noted that, because RSIC has utilizes primarily third party hosted applications, RSIC has minimized and outsourced much of its recovery risk to its providers. Deloitte noted two opportunities for improvement that were both represent moderate risks: (1) better documenting roles and responsibilities between RSIC and its disaster recovery providers; and (2) expand testing to include additional information technology systems. Mr. Stanton then took questions from the Commissioners and concluded his presentation.

Mr. Goldsmith then overviewed some routine reviews that will be completed before the end of the calendar-year and 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 Enterprise Risk Management ("ERM"), reported that no material exceptions were noted. Next, Ms. Kennedy reviewed RSIC's current ERM dashboard and noted there had been no changes following the Committee's last meeting. She noted that the ERM dashboard will be updated once Deloitte has completed the annual risk assessment.

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 October 17, 2024, at 2:44 p.m., at the entrance, in the lobbies, and near the 15th Floor Presentation Center at 1201 Main Street, Columbia, S.C.]