

## **Meeting Agenda | Finance, Administration, Audit and Compliance (FAAC) Committee**

Wednesday, October 19, 2016 | 3:15 p.m.

200 Arbor Lake Dr., Columbia, SC 29223 | Second Floor Conference Room

- I. Call to Order
- II. Adoption of Proposed Agenda
- III. Approval of Meeting Minutes- August 17, 2016
- IV. Internal Audit Reports
  - A. Retirement Claim Reviews
  - B. Insurance Claim Reviews
  - C. Investment Account Reviews
  - D. Internal Audit of Check Receipts and Deposits
  - E. Internal Audit Plan Status Report
- V. Strategic Action Plan Review
- VI. Old Business/Director's Report
- VII. Executive Session for Purpose of Receiving Legal Advice Pursuant to S.C. Code of Laws § 30-4-70 (a)(2).
- VIII. Adjournment

### **Notice of Public Meeting**

This notice is given to meet the requirements of the S.C. Freedom of Information Act and the Americans with Disabilities Act. Furthermore, this facility is accessible to individuals with disabilities, and special accommodations will be provided if requested in advance.

**PUBLIC EMPLOYEE BENEFIT AUTHORITY AGENDA ITEM**  
**Finance, Administration, Audit and Compliance Committee**

**Meeting Date:** October 19, 2016

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**1. Subject:** Strategic Action Plan Review

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**2. Summary:** Quarterly update on progress towards completion of the 2015-2018 PEBA Board Strategic Plan – Staff Action Plans.

**3. What is the Committee asked to do?** Receive as information

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**4. Supporting Documents:**

Attached:      1. PEBA Strategic Plan Completed Items (April –Oct. 2016)  
                     2. PEBA Board Strategic Plan- Staff Action Plan Open Items

# FAAC - Open Items

## PEBA Board Strategic Plan - Staff Action Plans

Committee	Strategic Category	Goal/ Strategy	Actions	Target Completion Date	S t a t u s	Responsible Staff Leader	Notes	Funston	Seq #
FAAC	Audit and Risk	4.2	Develop a minimum set of IT security requirements for vendors	12/31/2016		James Manning			207
FAAC	Audit and Risk	4.2	Develop a due diligence questionnaire for third party vendors for IT security.	1/31/2017		James Manning			171
FAAC	Audit and Risk	4.1	Create a charter for Enterprise Risk Management	1/31/2017		James Manning		2.7.5, 2.7.4, 2.5, 11.2	165
FAAC	Audit and Risk	4.0	Document a strategy for ongoing evaluations.	3/31/2017		James Manning			174
FAAC	Audit and Risk	4.2	Conduct an IT security due diligence process on third party vendors that store, transmit, or process PEBA restricted data.	4/30/2017		James Manning			173
FAAC	Audit and Risk	4.0	Document agency compliance requirements and responsibilities.	5/31/2017		James Manning			168
FAAC	Audit and Risk	4.2	Rank vendors based on IT Security risks to be used in ongoing due diligence	6/30/2017		James Manning			172
FAAC	Audit and Risk	4.1	Develop a risk management framework.	9/30/2017		James Manning		2.7.2	164
FAAC	Audit and Risk	4.0	Develop a risk action plan with associated controls, risk acceptance or risk transfer in association with business leaders for existing high risk processes.	12/31/2017		James Manning		2.7.3	169
FAAC	Audit and Risk	4.0	Develop a plan to communicate high risk changes and the associated plan for controls, transfer, or acceptance of risk.	2/28/2018		James Manning	10/18/16 - work will begin after framework is established (164)		166
FAAC	Audit and Risk	4.1	Complete an agency risk assessment.	2/28/2018		James Manning		2.7.1, 2.7.3	167
FAAC	Board Level / Governance	4.0	In November have a brainstorming session with senior staff and Board members to discuss strategic issues that may arise prior to a crisis situation			Sarah Corbett	6/10/16 - target date will correlate with Board Retreat 5/23/16 - Target Date moved from 4/30/16 to 6/30/16 per SNC. 11/23/15 - Target Date moved from 12/31/15 to 4/30/16. 11/23/15 - Discuss at Board Retreat in April. This will feed into the strategic plan.		125
FAAC	Communications	2.0	Edit, design, print and distribute the 2017 Insurance Benefits Guide.	12/31/2016		Megan Lightle			193
FAAC	Communications	2.1	Develop phase I 'Navigating Your Benefits' series to provide members with easy to use information about their insurance and retirement benefits.	12/31/2017		Megan Lightle			190
FAAC	Communications	2.0	Collaborate with BC/BS of SC to develop and distribute the 2017 Summary of Benefits Guide for the state health plan.	12/31/2017		Megan Lightle	7/14/16 - Change Target Completion Date to 12/31/17 per SNC.		194
FAAC	Communications	2.0	Collaborate with Behavioral Health vendor to develop and distribute the 2017 Summary of Benefits Guide.	12/31/2017		Megan Lightle	7/14/16 - Change Target Completion Date to 12/31/17 per SNC.		195

# FAAC - Open Items

## PEBA Board Strategic Plan - Staff Action Plans

Committee	Strategic Category	Goal/Strategy	Actions	Target Completion Date	Status	Responsible Staff Leader	Notes	Funston	Seq #
FAAC	Communications	2.1	Develop and execute marketing plans and goals for money plus/cafeteria plan.	3/31/2018		Megan Lightle	SNC. Contract ends 12/31/2016. Will review the new vendor's		116
FAAC	Communications	2.0	Collaborate with flexible benefits vendor to develop and distribute the 2017 Summary of Benefits Guide	12/31/2018		Megan Lightle	<b>7/14/16</b> - Change Target Completion Date to 12/31/18 per SNC.		196
FAAC	Customer Service	3.0	Increase survey responses by 15% in FY17 through the use of new call management system and the continued completion of retirement event surveys	6/30/2017		Sharon Graham			206
FAAC	Employer Services	3.1	Evaluate demand for additional regional services and/or offices	12/31/2016		Jennifer Dolder			127
FAAC	Facilities	5.4	Execute a long term facilities plan to include updates to the physical property.	12/31/2016		Travis Turner	<b>4/28/15</b> - Project plan created and received necessary approvals. Due to need for cooler temperatures, work will not be started until Dec 2015.		56
FAAC	Human Resources / Workforce Development	5.1	Map succession needs and actions (positions, retirement eligibility).	12/31/2016		Kim Brown		2.11.1 3.3 3.5.2 10.2	35
FAAC	Human Resources / Workforce Development	5.3	Research the utilization of bonuses.	12/31/2016		Kim Brown			140
FAAC	Human Resources / Workforce Development	5.2	Develop and deliver "The PEBA Way" training for all employees.	12/31/2016		Kim Brown			180
FAAC	Human Resources / Workforce Development	5.2	Implement phase two of onboarding process (includes expansion of education on agency functions and operations).	4/28/2017		Kim Brown		3.4.2	179
FAAC	Human Resources / Workforce Development	5.0	Continued consolidation of common retirement and insurance processes. Explore additional organizational changes to provide opportunity for efficiencies and employee exposure.	2017-2022		Travis Turner	<b>7/14/16</b> - Per Peggy, will do with the new system. <b>3/18/16</b> - Removal of Funston 3.6.1 per Sarah C. and Lisa P. o Financial/Accounting – Physical location and financial statements o Enrollment o Imaging o Cash Receipts		34
FAAC	Human Resources / Workforce Development	5.2	Ensure each operational area has up-to-date written policies and procedures and department specific training to be used in cross-training and on-the-job training.	2017-2022		Department Managers	<b>7/14/16</b> - Per Peggy, defer it to new system.	3.4.1 3.8 5.1.1	38
FAAC	Information Technology	4.3	Evaluate need for cyber insurance.	12/31/2016		James Manning Doug Hislop			191

# FAAC - Open Items

## PEBA Board Strategic Plan - Staff Action Plans

Committee	Strategic Category	Goal/Strategy	Actions	Target Completion Date	Status	Responsible Staff Leader	Notes	Funston	Seq #
FAAC	Information Technology	4.0	Consider ISO certification			Doug Hislop	Will begin to review ISO certification in August 2016.		120
FAAC	Operational Research Development	6.1	Award contract for Client Support Services.	1/31/2017		Lisa Phipps			177
FAAC	Operational Research Development	6.1	Identify and collaborate with business units to implement process improvements specific to data integrity and operational efficiencies prior to new system implementation.	6/30/2017		Lisa Phipps			187
FAAC	Operational Research Development	6.1	Define, develop release RFP to procure new Benefits Administration System.	9/30/2017		Lisa Phipps			183
FAAC	Operational Research Development	6.1	Define, develop release RFP and award contract to data migration vendor	11/30/2017		Lisa Phipps			184
FAAC	Operational Research Development	6.1	Award contract to vendor for new Benefits Administration System implementation.	1/31/2018		Lisa Phipps			185

# FAAC - Completed Items (Apr - Oct 2016)

## PEBA Board Strategic Plan - Staff Action Plans

Committee	Strategic Category	Goal/Strategy	Actions	Implementation Date	S t a t u s	Responsible Staff Leader	Notes	Funston	Seq #
FAAC	Audit and Risk	4.0	Review and determine how to implement Enterprise Risk Management for PEBA.	4/4/2016		James Manning	4/4/16 - James Manning hired as Risk & Compliance Director 3/29/15 - Board recommended moving to 2017 (current risk is managed by internal audit function). Consider hiring a consultant to develop ERM (Board level issues and staff level implementation).	1.12, 2.7.6	57
FAAC	Communications	2.1	Vendor Management: Review marketing plans and expand or enhance plans or contractual responsibilities as needed for <b>Dental &amp; Dental Plus / BlueCross BlueShield Dental</b>	4/18/2016		Megan Lightle	Contract ends 12/31/2015. Will review new vendor's plans.		112
FAAC	Communications	2.1	Vendor Management: Review marketing plans and expand or enhance plans or contractual responsibilities as needed for <b>Pharmacy Benefit Management Services / Express Scripts</b>	5/23/2016		Megan Lightle	5/24/16 Initial marketing period goals due from ESI at June 7, 2016 conference call. 11/23/15 -Communications has been working with Express Scripts and the PEBA implementation team since the contract was awarded to conduct and complete a review of all implementation materials and letters.		119
FAAC	Communications	2.0	Edit, design, print and distribute the 2016 Benefits Advantage.	9/30/2016		Megan Lightle			192
FAAC	Customer Service	3.1	Call management system implementation	8/29/2016		Sharon Graham	9/30/16 per SC. added Funston 8.4 3/14/16 - In progress - Per initial design meeting on 3/2/16, there was a network design meeting on 3/8/16 w/IT. Next	8.13.2 8.4	135
FAAC	Customer Service	3.0	Customer Service staff will engage customers by soliciting feedback on actionable items and information will be utilized to improve our business processes. This process will be separate from the current satisfaction survey process.	9/20/2016		Sharon Graham	Graham • The new call center survey is complete and will be implemented and functional on or before November 1, 2016. It will be functional before then but with open enrollment in October, I gave myself a buffer. The last question of the	8.4, 8.5.1, 8.5.2, 8.6	50
FAAC	Facilities	5.4	Retain services of the BPS to provide full time security for the PEBA campus	5/24/2016		Travis Turner			198
FAAC	Facilities	3.0	Update signage in parking lot to better identify PEBA for visitors	6/30/2016		Paulette Redfern Heather Young	6/3/16 - In progress; procurement issue hold up (date change from 3/31/16 to 6/30/16) In contact with property management company to get parking lots signs updated.		129
FAAC	Human Resources / Workforce Development	3.0	Member Spotlight video #2	6/30/2016		Communications			136
FAAC	Human Resources / Workforce Development	5.1	Conduct employee satisfaction and engagement survey every two years.	9/13/2016		Kim Brown	9/13/16 - sent survey to all PEBA		176

# FAAC - Completed Items (Apr - Oct 2016)

## PEBA Board Strategic Plan - Staff Action Plans

Committee	Strategic Category	Goal/Strategy	Actions	Implementation Date	Status	Responsible Staff Leader	Notes	Funston	Seq #
FAAC	Human Resources / Workforce Development	5.2	Assess, identify, and deliver employee and organizational training and development opportunities.	9/30/2016		Kim Brown	9/2/15 - Hired Training & Development Director. 5/28/15 - Training and Development Director vacancy has been advertised and interviews are upcoming.	3.4.1 3.4.2 3.5.1 7.4.2	30
FAAC	Human Resources / Workforce Development	5.2	Implement Phase I of onboarding process (includes new employee education of immediate compliance and awareness issues).	10/10/2016		Bobby George	Onboarding training module available through Learning Management System.	3.4.2	32
FAAC	Human Resources / Workforce Development	5.3	Develop and deliver monthly high performance characteristics training.	10/12/2016		Kim Brown	9/13/16 - 5 of the 6 characteristics have been completed		181
FAAC	Information Technology	4.3	Comply with State issued information security policies	6/30/2016		James Manning Doug Hislop			121
FAAC	Information Technology	4.3	Develop an ongoing program to review policies and compliance with the policies.	8/31/2016		James Manning Doug Hislop	8/31/16 - Established a procedure calendar of InfoSec policy control tasks and reviews; Privacy and Security Committee meets regularly to discuss topics and review program implementation status; fully staffed in the InfoSec area and will perform all procedures required by the policy including compliance reviews; will continue to work with Internal Audit for independent program reviews		175
FAAC	Operational Research Development	6.1	Operational Assessment: <b>Phase 3 – April 2016 – June 2016</b> 1. High Level Roadmap 2. Cost Benefit Analysis 3. Findings & Recommendations for Implementation Projects 4. Executive Summary Report on Phase 3 completion 5. Final Assessment Report	6/30/2016		Lisa Phipps	3/18/16 - Removal of Funston 5.1.2 per Sarah C. and Lisa P.	9.1, 11.6.1, 11.4, 11.10, 11.1, 10.4	42
FAAC	Operational Research Development	6.1	Define, develop and release RFP for Client Support Services.	9/16/2016		Lisa Phipps	10/3/16 - RFP released 9/16/16 9/13/16 - RFP should be released by 9/16/16 9/1/16 - RFP is at ITMO waiting to be reviewed; target date will be updated at the time the RFP is released.		182