

Meeting Minutes | 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

Minutes Approved January 11, 2017

Board Members Present: Chairman Steve Matthews

Board Members Present Via Telephone: Mr. Steve Osborne and Mr. John Sowards

Others Present for All or a Portion of the Meeting: Shawunda Baker, Peggy Boykin, Tammy Caudill, Sarah Corbett, Jennifer Ford, Georgia Gillens, Doug Hislop, Megan Lightle, Heather Muller, James Manning, John Page, Tammy Nichols, Travis Turner, Stephen Van Camp, Justin Werner, and Heather Young from the South Carolina Public Employee Benefit Authority (PEBA); Brooks Goodman from Blue Cross Blue Shield of South Carolina; and Wayne Pruitt from the State Retirees Association of South Carolina.

I. Call to Order

Chairman Steve Matthews called the PEBA Finance, Administration, Audit and Compliance (FAAC) Committee meeting to order at 3:18 p.m., and stated that the public meeting notice was posted in compliance with the Freedom of Information Act.

Chairman Matthews announced that due to career obligations, Ms. Stacy Kubu has resigned from the PEBA Board. Chairman Matthews stated that Ms. Kubu was a valuable member of the Board for four years, and her service to the Committee and Board has been greatly appreciated.

II. Adoption of Proposed Agenda

Mr. Steve Osborne made a motion, which was seconded by Mr. Steve Matthews, and passed unanimously, to adopt the proposed meeting agenda.

III. Approval of Meeting Minutes- August 17, 2016

Mr. Osborne made a motion, which was seconded by Mr. John Sowards, and passed unanimously, to approve the minutes from the August 17, 2016, Committee meeting.

IV. Internal Audit Reports

Mr. John Page, Director of Internal Audit, and Ms. Shawunda Baker, Internal Auditor, provided the PEBA internal audit reports including:

- 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

Ms. Sarah Corbett, Chief Operating Officer, reviewed the PEBA Board Strategic Plan-Staff Action Plans related to the FAAC Committee, and provided an update to Goal Four of the 2016-2018 Business Plan associated with responsibly managing risk to the organization. Ms. Corbett also reviewed modifications to Goal Five related to workforce planning, and Goal Six related to improving internal efficiencies through new system implementation.

VI. Old Business/Director's Report

Ms. Peggy Boykin, Executive Director, stated that the Board Retreat will be November 30-December 1, 2016, and the Board will consider the revised 2016-2018 Business Plan for approval at the retreat. In addition, the 2016 Actuarial Valuations will also be presented for approval.

Ms. Boykin announced that the FAAC Committee will not meet in November or December due to the Board retreat.

Ms. Boykin reported that the Joint Committee on Pension Systems Review will meet October 25-26, 2016, and PEBA will testify before the Committee on November 10, 2016.

VII. Executive Session to Receive Legal Advice Pursuant to S.C. Code of Laws § 30-4-70 (a)(2).

At 4:10 p.m., Mr. Osborne made a motion, which was seconded by Mr. Sowards, and passed unanimously, to recede into executive session to receive legal advice concerning the accounting of the OPEB Trust Funds.

The Committee reconvened in open session at 4:34 p.m. Chairman Matthews announced that no action was taken by the Committee while in executive session.

VIII. Adjournment

There being no further business, the Committee meeting adjourned at 4:35 p.m.