



Meeting Minutes | Finance, Administration, Audit and Compliance (FAAC) Committee

Wednesday, June 15, 2022 | 11:30 a.m.

202 Arbor Lake Dr., Columbia, SC 29223 | First Floor Conference Room

Minutes Approved October 5, 2022

Board Members Present: Mr. Steve Matthews and PEBA Board Chairman Joe “Rocky” Pearce

Board Members Present Via Virtual Means: Ms. Amanda Blankenship and Committee Chairman Jennifer Blumenthal

Others Present for All or a Portion of the Meeting: Peggy Boykin, Robby Brown, Sarah Corbett, James Manning, Heather Muller, John Page, Travis Turner, Stephen Van Camp, and Justin Werner from the South Carolina Public Employee Benefit Authority (PEBA).

Others Present for All or a Portion of the Meeting Via Virtual Means: Amber Carter and Tammy Nichols from PEBA.

I. Call to Order

Chairman Jennifer Blumenthal called the PEBA Finance, Administration, Audit and Compliance (FAAC) Committee meeting to order at 11:30 a.m., and stated that the public meeting notice was posted in compliance with the Freedom of Information Act.

II. Approval of Meeting Minutes- March 2, 2022

Mr. Steve Matthews made a motion, which was seconded by PEBA Board Chairman Rocky Pearce, and passed unanimously, to approve the March 2, 2022, Committee meeting minutes as presented.

III. Internal Audit Reports

Mr. John Page, Director of Internal Audit, presented internal audit reports related to Check Receipts and Deposits, and Physical and Logical Access Controls. Mr. Page also provided the June 2022 PEBA Internal Audit Plan Update to the Committee.

IV. Fiscal Year 2024 Agency Administrative Budget Review and Approval

Mr. Travis Turner, Chief Financial Officer, presented the fiscal year 2024 agency budget report, and noted that PEBA’s budget authorization has remained constant since PEBA was created in 2012. Additions include \$700,000 that was added in fiscal year 2015 for the required fiduciary audit (remaining as part of the approved authorizations for fiscal year 2016 through fiscal year 2023), and starting in fiscal year 2018, an additional budget authorization of \$10 million of recurring funds for PEBA’s IT modernization project, peba:connect. This additional budget authorization will remain in the budget until the completion of the project.

Mr. Turner advised that PEBA's operating budget is funded by the insurance and retirement Trust Funds, not from General Funds. Mr. Turner explained that PEBA's General Fund appropriations are pass through appropriations only, and are not used for PEBA's operating expenses. Mr. Turner advised that General Funds for statewide contributions were added in fiscal year 2016, when the Department of Administration was created. Pass through funds for the South Carolina Retirement System (SCRS) Trust Fund, and the Police Officer Retirement System (PORS) Trust Fund, equal to one percent of the employer contribution increase were added as recurring funds in fiscal year 2018.

Mr. Mathews made a motion, which was seconded by PEBA Board Chairman Pearce, and passed unanimously, to approve the fiscal year 2024 agency budget request as presented, and submit to the full Board for approval.

V. Old Business/Director's Report

Ms. Peggy Boykin, Executive Director, stated that the General Assembly is meeting today to deliberate the Fiscal Year 2023 Appropriations Bill, which will be sent to the Governor for his consideration. Ms. Boykin advised that one of the provisos in the budget suspends the statute that requires PEBA to have a fiduciary audit conducted every four years. Instead, PEBA has asked the General Assembly to allow for an actuarial audit, which is an industry accepted practice and more relevant for PEBA.

VI. Adjournment

There being no further business, and upon motion by Mr. Matthews, which was seconded by PEBA Board Chairman Pearce, and passed unanimously, the Committee meeting adjourned at 11:47 a.m.