



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

Wednesday, June 21, 2023 | 1:30 p.m.

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

Minutes Approved December 6, 2023

Board Members Present for All or a Portion of the Meeting:

Ms. Amanda Blankenship, Mr. Steve Heisler, and PEBA Board Chairman Joe “Rocky” Pearce

Board Members Present for All or a Portion of the Meeting Via Virtual Means: Committee Chairman Jennifer Blumenthal and Mr. Steve Matthews

Others Present for All or a Portion of the Meeting: Peggy Boykin, Amber Carter, Justin Ellis, James Manning, Evan Mitchell, Heather Muller, Tammy Nichols, John Page, Travis Turner, Angie Warren, Justin Werner, and Heather Young from the South Carolina Public Employee Benefit Authority (PEBA); and Ms. Alisa Bennett, Mr. Ed Koebel, and Ms. Micki Taylor from Cavanaugh Macdonald Consulting.

Others Present for All or a Portion of the Meeting Via Virtual Means: Angie Warren from PEBA.

I. Call to Order

Chairman Jennifer Blumenthal called the PEBA Finance, Administration, Audit and Compliance (FAAC) Committee meeting to order at 1:30 p.m., and stated that the public meeting notice was posted in compliance with the Freedom of Information Act.

II. Approval of Meeting Minutes- March 1, 2023

PEBA Board Chairman Rocky Pearce made a motion, which was seconded by Ms. Amanda Blankenship, and passed unanimously, to approve the March 1, 2023, Committee meeting minutes as presented.

III. Internal Audit Reports

Mr. John Page, Director of Internal Audit, presented an internal audit report related to Retirement Bank Account Reconciliations. Mr. Page also provided the June 2023 PEBA Internal Audit Plan Update to the Committee.

Mr. Page introduced Mr. Evan Mitchell from PEBA to the Committee, and announced that he will be joining the Internal Audit team in July.

IV. Fiscal Year 2025 Agency Administrative Budget Review and Approval

Mr. Travis Turner, Deputy Director and Chief Financial Officer, presented the fiscal year 2025 agency budget report, and noted that PEBA's budget authorization has remained constant since PEBA was created in 2012.

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, with termination of the Budget and Control Board.

Mr. Turner reviewed the history of approved budget authorizations and advised that an additional \$700,000 was added in fiscal year 2015 for the required fiduciary audit (remaining as part of the approved authorizations for fiscal year 2015 through fiscal year 2024). Mr. Turner advised that the General Assembly has suspended the requirement for PEBA to have a fiduciary audit this year, and PEBA instead had an actuarial audit conducted. The results of the actuarial audit will be presented at the full Board meeting.

Mr. Turner reminded the Committee that an additional budget authorization of \$10 million of recurring funds for PEBA's IT modernization project, PEBA:Connect was approved in fiscal year 2018. This additional budget authorization will remain in the budget until the completion of the project.

Mr. Steve Matthews made a motion, which was seconded by PEBA Board Chairman Pearce, and passed unanimously, to approve the fiscal year 2025 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 approved PEBA's operating budget last week, and reiterated that PEBA's operating budget has not changed significantly since PEBA was created in 2012.

VI. Adjournment

There being no further business, and upon motion by PEBA Board Chairman Pearce, which was seconded by Ms. Blankenship, and passed unanimously, the Committee meeting adjourned at 1:42 p.m.