

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

Tuesday, September 8, 2015 | 3:15 p.m.
200 Arbor Lake Dr., Columbia, SC 29223 | Second Floor Conference Room

Minutes Approved November 3, 2015

Board Members Present: Mr. Arthur Bjontegard, Mr. Frank Fusco, Chairman Steve Matthews, and Mr. Steve Osborne

Board Members Present via Telephone: Ms. Stacy Kubu

Others Present for All or a Portion of the Meeting: Peggy Boykin, Kim Brown, Sarah Corbett, Matthew Davis, Bobby George, Doug Hislop, Heather Muller, Megan Lightle, Tammy Nichols, Darry Oliver, John Page, Travis Turner, Stephen Van Camp, Justin Werner, and Heather Young from the South Carolina Public Employee Benefit Authority (PEBA); Sam Griswold and Wayne Pruitt from the State Retirees Association of South Carolina; and Thomas Parkman.

I. Call to Order

Chairman Steve Matthews called the PEBA Finance, Administration, Audit and Compliance (FAAC) Committee meeting to order at 3:15 p.m., and stated that the public meeting notice was posted in compliance with the Freedom of Information Act.

II. Adoption of Proposed Agenda

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

III. Approval of Meeting Minutes- June 2, 2015 and June 30, 2015

Mr. Osborne made a motion, which was seconded by Mr. Bjontegard, and passed unanimously, to approve the minutes from the June 2, 2015, and June 30, 2015, Committee meeting.

IV. Nomination of Committee Vice-Chairman

Mr. Bjontegard made a motion, which was seconded by Chairman Matthews, and passed unanimously, to nominate Mr. Steve Osborne to serve as the Committee's Vice-Chairman.

V. Annual PEBA Agency Budget Report

Ms. Peggy Boykin, PEBA's Executive Director, presented the annual agency budget report to the Committee, and provided a brief history of PEBA's approved budget authorizations. Ms. Boykin reviewed the 2017 budget request, and stated that PEBA will not be requesting an increase in budget authorization for 2017, but will need to request additional financial resources for 2018, due to project implementations resulting from the Operational Assessment.

Following further discussion, Mr. Bjontegard made a motion, which was seconded by Mr. Osborne, and passed unanimously, to recommend the 2017 PEBA agency budget request to the full Board for approval.

VI. Communications Plan

Ms. Megan Lightle; PEBA's Communications Director, and Ms. Heather Young, PEBA's Public Information Director, reviewed the draft 2016 Communications Strategic Plan. Ms. Lightle stated that one of the guiding principles of the Communications Strategic Plan is to use simple language to explain the programs, plans, and services available to members. Ms. Lightle also outlined various goals, objectives, and strategies of the Communications Strategic Plan, and provided samples of informational packages and campaign materials delivered to employers and members.

VII. 2014 Deferred Compensation Audit Report

Mr. Matthew Davis, Defined Contribution Manager, stated the 2014 Deferred Compensation Audit Report is presented to the FAAC Committee as information, and will be discussed in greater detail at the October 7, 2015, Retirement Policy Committee meeting by representatives from Elliott Davis Decosimo, LLC. The FAAC Committee reviewed several noted internal control deficiencies and the recommendations made by Elliott Davis Decosimo, LLC to correct these deficiencies.

VIII. Strategic Planning Status Report

Ms. Sarah Corbett, Chief Operating Officer, reviewed the PEBA Board Strategic Plan-Staff Action Plans related to the FAAC Committee, and provided a progress report on each action item that will be completed by the end of 2015.

IX. Accountability Report

Ms. Corbett presented the fiscal year 2014-2015 Accountability Report to the Committee, and reported that the State Health Plan compares favorably to other public and private sector plans' overall costs, premiums, and deductibles.

X. Internal Audit

Mr. John Page, Director of Internal Audit, presented the Internal Audit Annual Certification of No Conflicts and the Audit Plan Status Report to the Committee.

XI. Old Business/Director's Report

Ms. Boykin stated that she did not have any additional information to report.

XII. Executive Session Pursuant to S.C. Code of Laws § 30-4-70

At 5:25 p.m., Mr. Bjontegard made a motion, which was seconded by Mr. Osborne, and passed unanimously, to recede into executive session to receive an update on cyber security pursuant to S.C. Code Ann. § 30-4-70. The Committee thereupon receded into executive session.

The Committee reconvened in open session at 6:00 p.m. It was noted that no action was taken by the Committee while in executive session.

XIII. Adjournment

There being no further business, and upon motion from Mr. Bjontegard, which was seconded by Mr. Osborne, and passed unanimously, the Committee meeting adjourned at 6:02 p.m.