

**South Carolina Retirement System Investment Commission  
Audit and Enterprise Risk Management Committee Meeting  
Minutes**

**November 28, 2023 11:00 a.m.  
Capitol Center  
1201 Main Street, Suite 1510  
Columbia, South Carolina 29201  
Meeting Location: Video Presentation**

**Committee Members Present:**  
Ms. Peggy Boykin, Acting Chair  
Mr. William J. Condon, Jr.  
Mr. Kenneth F. Deon (Via Telephone)

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**I. Call to Order and Consent Agenda**

Acting Chair Ms. Peggy Boykin called the meeting of the Audit and Enterprise Risk Management Committee (“Committee”) of the South Carolina Retirement System Investment Commission (“RSIC”) to order at 11:02 a.m. Mr. Kenneth F. Deon made a motion, which was seconded by Mr. William J. Condon, Jr., to adopt the agenda as presented, and it was unanimously approved.

**II. Approval of Minutes (June 13, 2023)**

Acting Chair Boykin referred to the draft minutes from the Committee’s June 13, 2023, meeting. Mr. Deon made a motion to adopt the minutes from the June 13, 2023, Committee meeting as presented. Acting Chair Boykin seconded the motion, and it was unanimously approved.

**III. Election of Committee Chair**

Acting Chair Boykin referenced her prior nomination of Mr. Deon to be Chair of the Committee. She then asked for a motion. Mr. Condon made a motion to elect Mr. Deon to serve as Chair of Committee. Acting Chair Boykin seconded the motion, and it was unanimously approved. Mr. Deon then thanked the Committee and assumed the role as Chair of the Committee for the remainder of the meeting.

**IV. Annual Review of the Committee and the Internal Audit Charters**

Chair Deon then asked for the annual review of the Committee and the Internal Audit (“IA”) Charters (collectively, “Charters”). RSIC Staff (“Staff”) explained that the Committee is substantially in compliance with both Charters other than some technical requirements that were noted in the Committee’s materials. Following the presentation, Chair Deon stated the responsibilities outlined in the Charters has been substantially carried out for Calendar Year 2023.

## **V. Internal Audit Update**

Chair Deon then asked for the IA update. The Committee received a report that the Global Investment Performance Standards (“GIPS”) Verification Review (“GIPS Review”) for Fiscal Year-End June 30, 2023, was completed, and there were no findings.

Next, the Committee received a report regarding the annual agreed-upon procedures (“AUP”) review of investment valuation, due diligence, and staff compliance for Fiscal Year-End June 30, 2023. The AUP review was performed by Crowe LLP, which is the firm that performs the annual audit of the South Carolina Retirement Systems’ Annual Comprehensive Financial Report. Testing has been expanded to include two additional areas, and there were no findings.

Following questions, the Committee received a report from Deloitte & Touche, LLP (“Deloitte”) regarding the Third-Party Risk Management (“TPRM”) Review (“TPRM Review”). Deloitte reported that the overall rating for RSIC’s third-party risk management program is “defined”, which Deloitte reported is appropriate for an organization of RSIC’s size and maturity. Staff noted that work is underway to address Deloitte’s recommendations as appropriate.

The Committee then received a report on the engagements to be completed. The Committee noted that the Investment Risk Maturity Assessment is ongoing but should be completed soon. The Committee also received an update on the annual risk assessment refresh, which will inform the development of the annual IA plan. The Committee noted that the report has been delayed due to Deloitte and RSIC working together to better align RSIC’s internal risk taxonomy with Deloitte’s risk taxonomy. Deloitte plans on presenting the risk assessment and IA plan to the Committee in early 2024.

## **VI. Enterprise Risk Management and Compliance Updates**

The Committee received an update on routine compliance matters, and it was reported that no material exceptions were noted.

The Committee received an update on enterprise risk management (“ERM”) related matters and noted that progress towards building out RSIC’s ERM function is ongoing. Additionally, the Committee received a report regarding the Compliance Questionnaire process and noted that no material issues were noted.

## **VII. Executive Session**

Ms. Boykin made a motion to recede into Executive Session to discuss investment matters related to internal audit reviews pursuant to S.C. Sections 9-16-80 and 9-16-320; to discuss negotiations incident to proposed contractual matters and to receive legal advice from legal counsel pursuant to S.C. Code Section 30-4-70(a)(2); to discuss the of security personnel or devices pursuant to S.C. Code Section 30-4-70(a)(3); and to discuss personnel matters related to the annual performance review of the Internal Audit Coordinator pursuant to S.C. Code Section 30-4-70(a)(1). Mr. Condon seconded the motion, and it was unanimously approved. The Committee then recessed into Executive Session.

## **VIII. Potential Actions Resulting from Executive Session**

The Committee met in Executive Session to discuss investment matters related to internal audit reviews pursuant to S.C. Code Sections 9-16-80 and 9-16-320; to discuss negotiations incident proposed contractual matters and to receive legal advice pursuant to S.C. Code Section 30-4-70(a)(2); to discuss the development of security personnel or devices pursuant to S.C. Code Section 30-4-70(a)(3); and to discuss personnel matters related to the annual performance review of the Internal Audit Coordinator pursuant to S.C. Code Section 30-4-70(a)(1). Chair Deon stated that no action was taken during Executive Session.

## **IX. Adjourn**

There being no further business, Mr. Condon made a motion to adjourn, and Ms. Boykin seconded the motion, which was unanimously approved.

[Staff Note: In compliance with S.C. Code Ann. Section 30-4-80, public notice of and the agenda for this meeting were delivered to the press and to parties who requested notice and were posted on November 21, 2023, at 3:50 p.m., at the entrance, in the lobbies, and near the 15<sup>th</sup> Floor Presentation Center at 1201 Main Street, Columbia, S.C.]