



**MINUTES FROM THE AUDIT AND GOVERNANCE COMMITTEE
OF THE PLANS MANAGEMENT BOARD
February 9, 2021**

A meeting of the Audit and Governance Committee (the “Committee”) of the Plans Management Board (the “Board”) was held February 9, 2021, at 10:00 a.m. Pursuant to Governor Carney’s COVID-19 emergency orders, the meeting was held telephonically, without a physical location. Members of the public participated using the provided dial-in information.

Committee Members Represented or in Attendance:

Mr. Peter Kennedy, Committee Chair
Mr. John Macedo
The Honorable Colleen C. Davis, State Treasurer

Committee Members Not Represented or in Attendance:

Mr. Gerard Gallagher
Mr. Timothy J. Snyder

Others in Attendance:

Ms. Liza Davis, Deputy Treasurer, Office of the State Treasurer (“OST”)
Mr. Jason Staib, Deputy Attorney General, Delaware Department of Justice
Mr. John Meyer, Director of Contributions and Plan Management, OST
Mr. Daniel Kimmel, Promotion and Outreach Program Manager, OST
Mr. Michael Green, Investment and Program Manager, OST
Mrs. Deborah Bradl, Executive Assistant, Contributions and Plan Management, OST
Mr. Daniel Madrid, Chief Operating Officer, OST
Mr. Jordan Seemans, Director of Policy and Communications, OST
Mr. Earle Allen, Cammack Retirement Group

CALLED TO ORDER

The meeting was called to order at 10:00 a.m.

APPROVAL OF MINUTES

The Committee discussed a revision to the draft minutes to correct two typographical errors. The Committee agreed that the minutes can be approved subject to those revisions.

**A MOTION was made by Treasurer Davis and seconded by Mr. Macedo to approve the minutes of the Committee meeting on November 10, 2020, as modified.
MOTION ADOPTED UNANIMOUSLY**

DISCUSSION AND ACTION ITEMS

2021 Committee Goals

Mr. Meyer reviewed Committee accomplishments from the past year and discussed goals for 2021. Accomplishments for 2020 consisted of development of Training and Communication policies, extension of the Voya and Fidelity contract terms, approval of two SECURE Act amendments (RMD Age and Inservice Distribution Age), approval of two CARES Act amendments (CRD's and Loan provisions), completion of Fiduciary training and the 2019 Plan audits. Mr. Meyer stated that the Committee's 2021 goals will focus on the further development of the governance manual by completing a resignation policy, Freedom of Information Act policy, record retention policy, and vendor management policy. Mr. Meyer also suggested that the Committee undertake a review of Resolution 2018-01 and the college investment plan trust document. Audit presentations will be scheduled for the August 2021 meeting. Mr. Meyer informed the Committee that additional agenda items for 2021 will include the college investment and retirement plan recordkeeper contracts and the RFP for the external audit firm by the Auditor of Accounts ("AOA").

Mr. Macedo asked about the nature of the Committee's and OST's roles in the AOA's audit firm RFP process. Mr. Meyer stated that OST had coordinated with the AOA for a member of the Committee to be included on the evaluation team. The Committee suggested that the scope of work include specific requirements for the audit firm. The Committee Chair pointed out that Resolution 2018-01 could imply that the Committee had involvement in all facets of the audit, which is not necessarily true with respect to the selection of the auditor. It was suggested that this be considered upon review of the Resolution.

A MOTION was made by Treasurer Davis and seconded by Mr. Macedo to recommend that the Board approve the 2021 Committee Goals.

MOTION PASSED UNANIMOUSLY

2021 Education Schedule

Mr. Meyer reviewed the 2021 training schedule with the Committee. Second quarter training will focus on the Freedom of Information Act and the State's Code of Conduct. Fiduciary training will be scheduled at a later date in 2021 or early 2022. The Committee asked if there is a written Code of Conduct with which they should be familiar. Mr. Meyer referenced the Public Integrity Commission's previous Board training for review and Mr. Staib referenced chapter 58 of title 29 of the Delaware Code.

Update on Audit Report Item-Uncashed Checks

Mr. Meyer provided an update on one of the audit findings for the deferred compensation plan. The finding involved procedures for locating missing participants with uncashed checks. Mr. Meyer referenced guidance released by the Department of Labor on January 12, 2021 on locating missing participants. Mr. Meyer detailed OST's process for monitoring uncashed checks and in locating missing participants. Mr. Meyer outlined potential steps that could be taken to locate missing participants, such as internet searches and comparing the uncashed check report with information maintained by the Office of Pensions. The Committee inquired if the use of direct deposit is a solution to reducing the amount of checks. Mr. Meyer stated that this option needs to be explored with Voya. Mr. Meyer stated that OST staff is working closely with Voya to remedy the situation and will provide an update to the Committee as the process evolves.

Review of Resolution 2018-01

Mr. Meyer discussed the Resolution with the Committee. He recognized the point previously raised regarding AOA's selection of an audit firm. No further changes were discussed.

Resignation Policy

Mr. Meyer discussed the draft resignation policy with the Committee. The Committee suggested that resignation notices be sent either via priority mail-in or via email, rather than requiring that they be sent by both methods.

**A MOTION was made by Treasurer Davis and seconded by Mr. Macedo to recommend to the Board to accept the DRAFT Resignation Policy, with revisions.
MOTION PASSED UNANIMOUSLY**

PUBLIC COMMENT

No member of the public was present for comment.

NEXT MEETING

The next meeting of the Committee is scheduled for May 11, 2021.

The next meeting of the Board is scheduled for March 2, 2021.

ADJOURNMENT

A MOTION was made by Treasurer Davis and seconded by Mr. Macedo to adjourn the meeting at 10:41 a.m.

MOTION ADOPTED UNANIMOUSLY

Respectfully submitted,

Pete Kennedy, Chair for the Audit and Governance Committee