

State of Alaska
ALASKA RETIREMENT MANAGEMENT BOARD
AUDIT COMMITTEE MEETING

Videoconference

MINUTES OF
June 15, 2022

Wednesday, June 15, 2022

CALL TO ORDER

CHAIR MICHAEL WILLIAMS called the meeting of the ARM Board Audit Committee to order at 9:00 a.m.

ROLL CALL

Five trustees were present at roll call to form a quorum.

Committee Present: Michael Williams, *Chair*
Lorne Bretz
Allen Hippler
Donald Krohn
Bob Williams

Committee Absent: None

Other Trustees Present: Dennis Moen
Sandra Ryan

IAC Members Present: Dr. William Jennings
Ruth Ryerson

Department of Revenue Staff Present:

Zachary Hanna, Chief Investment Officer
Pamela Leary, Director, Treasury Division
Ryan Kauzlarich, Accountant V
Sam Hobbs, Accountant V
Scott Jones, Head of Investment Operations, Performance & Analytics
Hunter Romberg, Investment Data Analyst
Grant Ficek, Business Analyst
Alysia Jones, Board Liaison

Department of Administration Staff Present:

Ajay Desai, Director, Division of Retirement and Benefits

Kevin Worley, Chief Financial Officer, Division of Retirement and Benefits
Jim Puckett, Chief Pension Officer, Division of Retirement and Benefits
Roberto Aceveda, Counseling and Education Manager
Traci Walther, Accountant V, Division of Retirement and Benefits
Hans Zigmund, Deputy Commissioner, Department of Administration
Amanda Pillifant, Executive Secretary, Commissioner's Office, Department of Administration

ARMB Legal Counsel Present:

Benjamin Hofmeister, Assistant Attorney General, Department of Law

Others Present:

Melissa Beedle, KPMG
Elizabeth Stuart, KPMG

PUBLIC MEETING NOTICE

Board Liaison, ALYSIA JONES confirmed that public meeting notice requirements had been met.

APPROVAL OF AGENDA

The agenda was approved without a vote or objection.

APPROVAL OF MINUTES: March 16, 2022

MR. WILLIAMS moved to approve the minutes of the March 16, 2022, meeting. MR. KROHN seconded the motion.

With no objection, the motion was approved.

I. PUBLIC/MEMBER PARTICIPATION, COMMUNICATIONS & APPEARANCES – None.

REPORTS

A. Review Independent Auditor's Audit Plan

MS. STUART and MS. BEEDLE of KPMG presented the planning of this year's audit process, focusing on the preliminary (current) phase.

B. Discussion of Audit Timeline

MR. KAUZLARICH explained that Treasury was going to keep its books open until August 31st to account for as many June 30 alternative asset statements as possible.

MR. WORLEY reported that the deadline for the Division of Retirement & Benefit was October 15th to provide audited financial statements to the Division of Finance, who is responsible for the state ACFR.

C. Audit Section Report

MR. WORLEY announced that MELANIE HELMICK had resigned in May, and they were recruiting to fill the position. He then reported on the audits performed to date.

D. Report on Delinquent/Late Filing Employers

MR. WORLEY reported that there were three delinquent employers for PERS: City of Nenana, Yukon Flats School District, and the City of King Cove. He noted that TRS had one delinquent employer, which was Yukon Flats School District.

E. Committee Requests: Areas of Interest/Review – None

F. Review any legal matters that may impact Fund’s financial statements, the ARMB’s compliance with applicable laws and regulations, and any inquiries received from regulators or governmental agencies

MR. HOFMEISTER stated that he had nothing specific to report.

MR. HOFMEISTER noted that the In Re Tribune case had died and he would no longer be reporting on it to external auditors.

G. DOR – Treasury Division

1. SOC1 – Reporting on Controls at a Service Organization

MR. KAUZLARICH reported on State Street which issues two SOC1 reports every six months and NRS, their third-party plan reporting vendor which issued their initial SOC1 for December 2021. Auditors issued unmodified opinions on all reports.

2. Accounting/Financial Personnel Structure

MS. LEARY reported on the four vacancies, two in Portfolio and two in Accounting and Support. She said they are reclassifying the administrative positions due to the size of the caseload. She also explained the reorganization in the asset accounting group.

H. DOA – Division of Retirement & Benefits Personnel Structure

MR. DESAI discussed the organizational structure of the division and noted that no major changes had been made since 2018. He said the division was considering some adjustments to the structure to better assist members.

COMMITTEE PERFORMANCE – SELF ASSESSMENT – None

REVIEW OF COMMITTEE CHARTER – None

FUTURE MEETINGS

A. Calendar Review

1. Date Selection – Review of Audited Financial Statements (Proposed date: October 10, 2022)

2. Approval of 2023 Audit Committee meeting calendar

CHAIR WILLIAMS asked if there were any changes to the proposed calendar; there were none.

B. Agenda Items – None

C. Requests/Follow-ups – None

OTHER MATTERS TO PROPERLY COME BEFORE THE COMMITTEE – None.

PUBLIC/MEMBER COMMENTS – None.

ADJOURNMENT

There being no objection and no further business to come before the board, The meeting was adjourned at 9:52 a.m. on June 15, 2022, on a motion made by MR. HIPPLER, and accepted by CHAIR WILLIAMS.

ATTEST:

Corporate Secretary

Note: An outside contractor recorded the meeting and prepared the summary minutes. For in-depth discussion and more presentation details, please refer to the recording of the meeting and presentation materials on file at the ARMB office.