

**STATE INVESTMENT BOARD
AUDIT COMMITTEE
MINUTES OF THE
OCTOBER 14, 2021, SPECIAL MEETING**

MEMBERS PRESENT: Yvonne Smith, PERS Board, Chair
Dr. Rob Lech, TFFR Board, Vice Chair
Julie Dahle, External Representative
Jon Griffin, External Representative
Jodi Smith, Commissioner of University & School Lands

STAFF PRESENT: Eric Chin, Interim Chief Investment Officer
Connie Flanagan, Chief Financial Officer
Jayme Heick, Retirement Programs Specialist
Missy Kopp, Executive Asst
Jan Murtha, Interim Exec Dir
Sara Sauter, Suprv of Internal Audit
Dottie Thorsen, Internal Auditor
Tami Volkert, Employer Services Coordinator

GUESTS : Dean DePountis, Attorney General's Office

CALL TO ORDER:

Ms. Smith called the State Investment Board (SIB) Audit Committee meeting to order at 3:00 p.m. on Thursday, October 14, 2021, at the Retirement and Investment Office (RIO), 3442 E Century Ave., Bismarck, ND.

The following Audit Committee members were available representing a quorum: Ms. Dahle, Mr. Griffin, Dr. Lech, Commissioner Smith, and Ms. Smith

AGENDA:

The agenda was considered for the October 14, 2021, meeting.

IT WAS MOVED BY DR. LECH AND SECONDED BY MR. GRIFFIN AND CARRIED BY A VOICE VOTE TO APPROVE THE AGENDA FOR THE OCTOBER 14, 2021, MEETING AS DISTRIBUTED.

AYES: MS. DAHLE, COMMISSIONER SMITH, MR. GRIFFIN, DR. LECH, AND MS. SMITH

NAYS: NONE

MOTION CARRIED

GOVERNANCE DISCUSSION:

Ms. Sauter reviewed the request from the SIB at its May 21, 2021 meeting for the Audit Committee to review Governance Policy B-2 Governing Style in Section B Governance Process, to clearly define "inquiry," and to review the SIB's structure and bring a recommendation back. At the August 11, 2021, meeting, the Committee discussed this request and established a list of three areas they wanted to discuss further at a special meeting:

- Comprehensive onboarding for new SIB members
- Plan for Board Education
- Establishing a Governance Committee

Internal audit staff researched each of these areas and have provided information to the Committee.

Board member orientation and education guidelines include a list of Board member core competencies. These are similar to the Teachers' Fund for Retirement (TFFR) governance manual which was recently updated and are research based. The Executive Director (ED) will present an annual Board education plan which will not be all inclusive, but will provide a framework. The ED will also offer options for education outside of regular Board meetings.

New Board member orientation includes a list of topics to help them understand RIO and its programs, board governance and policies, laws and rules governing the plans, and board meeting protocols. The orientation process will help new members understand what is expected of them.

Ms. Sauter reviewed the draft charter for an SIB Governance Committee. The new committee would take over the responsibility for Board self-assessment and would also advise the SIB about governance. The Committee discussed calling the new Committee the Governance and Policy Review Committee and adding policy review to the list of responsibilities. The Committee would be composed of three SIB members who are nominated and approved by the Board. The ED would be the primary staff person responsible for organizing Committee meetings.

IT WAS MOVED BY MR. GRIFFIN AND SECONDED BY DR. LECH AND CARRIED BY A ROLL CALL VOTE TO RECOMMEND TO THE SIB THE BOARD MEMBER ORIENTATION AND EDUCATION PROGRAM POLICY WITH THE DISCUSSED CHANGES AND THE ESTABLISHMENT OF A GOVERNANCE AND POLICY REVIEW COMMITTEE.


**AYES: MR. GRIFFIN, DR. LECH, COMMISSIONER SMITH, AND MS. SMITH
NAYS: NONE
MOTION CARRIED
ABSENT: MS. DAHLE**

OTHER:

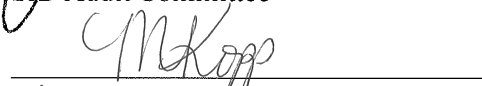
The next Audit Committee meeting is scheduled for Tuesday, November 16, 2021, at 2:30 p.m. at Workforce Safety & Insurance, 1600 East Century Ave., Bismarck, ND.

With no further business to come before the Audit Committee, Ms. Smith adjourned the meeting at 4:34 p.m.

Respectfully Submitted:



Ms. Yvonne Smith, Chair
SIB Audit Committee



Missy Kopp
Recorder