

**STATE INVESTMENT BOARD
AUDIT COMMITTEE MEETING
MINUTES OF THE
MARCH 25, 2025, MEETING**

MEMBERS PRESENT: Thomas Beadle, State Treasurer, Chair
Dina Cashman, External Representative
Cody Mickelson, TFFR Board
Adam Miller, PERS Board
Todd Van Orman, External Representative

STAFF PRESENT: Missy Kopp, Exec. Assistant
Chad Roberts, DED/CRO
Sara Seiler, Suprv. of Internal Audit
Jodi Smith, Interim Exec. Director
Dottie Thorsen, Internal Auditor

CALL TO ORDER:

Treasurer Beadle called the State Investment Board (SIB) Audit Committee meeting to order at 2:32 p.m. on Tuesday, March 25. The meeting was held virtually.

The following Audit Committee members were present representing a quorum, Treasurer Beadle, Ms. Cashman, Mr. Mickelson, Mr. Miller, and Mr. Van Orman.

AGENDA:

The agenda was considered for the March 25, 2025, meeting.

IT WAS MOVED BY MR. MICKELSON AND SECONDED BY MS. CASHMAN AND CARRIED BY A VOICE VOTE TO APPROVE THE AGENDA FOR THE MARCH 25, 2025, MEETING AS DISTRIBUTED.

**AYES: MS. CASHMAN, MR. MILLER, MR. VAN ORMAN, MR. MICKELSON, AND
TREASURER BEADLE
NAYS: NONE
MOTION CARRIED**

MINUTES:

The minutes were considered for the November 18, 2024, and February 5, 2025, meetings.

IT WAS MOVED BY MR. MR. VAN ORMAN AND SECONDED BY MS. CASHMAN AND CARRIED BY A VOICE VOTE TO ACCEPT THE MINUTES FROM THE NOVEMBER 18, 2024, AND FEBRUARY 5, 2025, MEETINGS.

**AYES: MR. VAN ORMAN, MR. MICKELSON, MR. MILLER, MS. CASHMAN, AND
TREASURER BEADLE
NAYS: NONE
MOTION CARRIED**

GOVERNANCE:

Legislative Update:

Ms. Smith provided an update on legislative activities affecting RIO and the SIB program. HB 1022, RIO's budget bill was sent back to the subcommittee after they added several amendments. One of the amendments removed the internal audit FTE and ongoing cost for the new pension system. Staff have been working with legislators to educate them on the need for the FTE and the other items that were cut. HB 1319, which would call for the creation of a Legacy Fund website, had a subcommittee hearing this morning and received a do pass recommendation and was sent to the appropriations committee. HB 1330, which would prohibit certain investments in China, had a subcommittee hearing this morning and received a do pass recommendation with a 3-2 vote. Committee discussion followed.

Summary Report for Pioneer Project:

Ms. Seiler provided a summary report after the launch of the new pension administration system (PAS). The report summarized the process and procedures completed to implement the PAS. The report provided an overview of Internal Audit's participation in the project. Committee discussion followed.

REPORTS:

Second Quarter Audit Activities:

Ms. Seiler reviewed audit activities from the quarter ending December 31, 2024. IA is working on the Executive Limitations audit for 2024. The Supervisor of IA is the staff person responsible for the Executive Search Committee and is working with other staff on the recruitment of the ED and the Chief Financial and Operations Officer (CFOO). During the quarter IA conducted an exit interview, provided support to the external auditors, and progressed through the IA maturity project. IA staff initiated the co-sourcing work with the consultant who will conduct 2-3 audits per year focused on the investment program. The process will include knowledge transfer to RIO IA staff.

Current Audit Activities:

Ms. Seiler provided an update on current audit activities. The Supervisor of IA has been preparing materials and working with the Executive Search Committee to keep the search process for a CFO/COO and permanent ED moving forward. IA conducted exit interviews with the outgoing ED and CFO/COO. The IA co-sourcing firm has been hired and a kick-off meeting has been scheduled. IA works with the Executive Review and Compensation Committee to administer the board surveys that are used in the evaluation process for the CIO and DED/CRO.

The external auditor contract from last year was only for a one-year term because of the upcoming launch of the internal investment program. The State Auditor's Office just issued the new RFP for a 3-year contract for a new external auditor. The Audit Committee may need a short special meeting if the contract isn't executed in time for the new firm to present in May.

IA is serving an advisory role for the investment compliance process and has met with the consultant as part of this process. The TFFR File Maintenance Audit is in progress. IA will be reviewing the risk assessment to develop an audit workplan for the upcoming year. Staff are working with Weaver on the external investment oversight audit. Committee discussion followed.

IT WAS MOVED BY MS. CASHMAN AND SECONDED BY MR. MICKELSON AND CARRIED BY A ROLL CALL VOTE TO ACCEPT THE SECOND QUARTER AUDIT ACTIVITIES AND CURRENT AUDIT ACTIVITIES REPORTS.

AYES: MS. CASHMAN, MR. MILLER, MR. VAN ORMAN, MR. MICKELSON, AND TREASURER BEADLE

NAYS: NONE

MOTION CARRIED

With no further business to come before the Audit Committee, Treasurer Beadle adjourned the meeting at 3:11 p.m.

Prepared by: Missy Kopp, Assistant to the Board