

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

**December 9, 2025 10:00 a.m.
Capitol Center
1201 Main Street, Suite 1510
Columbia, South Carolina 29201**

Committee Members Present:

Mr. Kenneth F. Deon, Chair (via Telephone)
Ms. Peggy Boykin (via Telephone)
Mr. William J. Condon, Jr. (absent)

I. Call to Order and Consent Agenda

Chair Mr. Kenneth F. Deon called the meeting of the Audit and Enterprise Risk Management Committee (“Committee”) of the South Carolina Retirement System Investment Commission (“RSIC”) to order at 10.02 a.m. Ms. Peggy Boykin made a motion, which was seconded by Chair Deon to adopt the proposed agenda as presented, and it was unanimously approved.

II. Approval of Minutes (October 15, 2025)

Chair Deon referred to the draft minutes from the Committee’s October 15, 2025, meeting. Ms. Boykin made a motion to adopt the minutes from the October 15, 2025, Committee meeting as presented. Chair Deon seconded the motion, and it was unanimously approved.

III. Internal Audit Update

Chair Deon then asked for the Internal Audit (“IA”) update. Ms. Michelle Kennedy, Director of Compliance and Enterprise Risk Management (“ERM”) gave a review of the Internal Audit list and stated the Global Investment Performance Standards verification report performed by ACA Group was completed and included in the meeting materials.

Ms. Danielle Shriver and Mr. Kevin Smith with Crowe, LLP (“Crowe”) reported on the annual agreed-upon procedures (“AUP”) review of investment valuation, due diligence, staff/investment compliance, co-investments and vendor procedures for Fiscal Year-End June 30, 2025.

Chair Deon asked for Mr. Craig Stanton with Deloitte & Touche, LLP (“Deloitte”) to present on the Reporting and Performance review.

The Committee then received a report from Brandon Kimes with Soteria, LLC (“Soteria”), RSIC’s new IT Consulting advisor. Soteria reviewed the proposed scope for two reviews to be conducted in calendar year 2026:

- (1) DIS-200 v2.0 Readiness Assessment, and
- (2) AI Review & Copilot Assessment.

Ms. Boykin made a motion to approve the proposed scopes as presented by Soteria. Chair Deon seconded the motion, and it was unanimously approved.

IV. Compliance and Enterprise Risk Management Updates

The Committee received an update on routine compliance matters. Ms. Kennedy reported that no material exceptions were noted. Ms. Kennedy then presented a review of the Annual Manager Compliance Questionnaire results and RSIC's ERM heat map. She reminded the committee that RSIC had engaged with Funston Advisory Services, LLC ("Funston") to help develop metrics for ERM risks and would report on the progress in upcoming Committee meetings.

- V.** Next, The Committee conducted the annual review of the Committee Charter. The Committee confirmed that the responsibilities outlined in the Committee's Charter had been substantially carried out for Calendar Year 2025.

The Committee discussed that the Internal Audit Department Charter ("IA Charter") was no longer relevant due to the implementation of the new advisory consultant services for the Internal Audit function. Because the IA Charter was originally approved by the Committee, the Committee determined they should retire it. Ms. Boykin made a motion that the Committee retire the IA Charter, last approved by the Committee on December 9, 2020. Chair Deon seconded the motion, and it was unanimously approved.

VI. 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. Code 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 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 then seconded the motion, and it was unanimously approved. The Committee then recessed into Executive Session.

VII. Potential Actions Resulting from Executive Session

Upon returning to open session, Chair Deon stated that no action was taken during Executive Session.

VIII. Adjourn

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