

Ohio Police & Fire Pension Fund

MINUTES

Administration / Audit Committee
140 East Town Street, Columbus, Ohio 43215
May 24, 2023

Chair Britt called the meeting to Order at 9:00 a.m.

Committee Members/Trustees: Britt, Corvi, Czack, Deal, Drum, Heller, and Miller

Staff: Danish, Foley, Graham, Harville, Holodnak, Miller, O'Brien, Rankin, Sparks, Trakas, Vest-Boratyn.

Others Present: Jeff Bernard – ORSC, Samuel Peppers, Esq. – Attorney General's Office, Ethan West – Treasurer of State

MOTION TO EXCUSE TRUSTEE

Mr. Britt moved and Mr. Corvi seconded a motion to excuse Mr. Moore and Ms. Maloney Stiffler from today's meeting. The motion passed with the roll call vote as follows:

Ayes: Britt, Corvi, Czack, Deal, Drum, Heller, and Miller

Nays: None

ITEM A: Approval of Minutes – 2023 05 001 AAC: Mr. Deal moved and Mr. Drum seconded a motion that the committee approves the December 7th, 2022 Administration and Audit Committee Minutes. The motion passed with a roll call vote as follows:

Ayes: Britt, Corvi, Czack, Deal, Drum, Heller, and Miller

Nays: None

ITEM B: OP&F Risk Management Policy – 2023 05 002 AAC: Ms. Sparks presented the Risk Management Policy for review and approval by the Board of Trustees. The policy sets the risk management objectives and requirements for the Ohio Police & Fire Pension Fund (OP&F) business units. The enterprise risk management framework is used to actively anticipate and manage risks, taking advantage of opportunities and containing potential hazards within its risk tolerance.

Mr. Deal moved and Mr. Drum seconded that the Administration and Audit Committee approve the Risk Management Policy as presented at the May 24, 2023 Administration and Audit Committee meeting. The motion passed with a roll call vote as follows:

Ayes: Britt, Corvi, Czack, Deal, Drum, Heller, and Miller

Nays: None

ITEM C: Internal Audit Department Charter – 2023 05 003 AAC: Ms. Sparks presented the Internal Audit Department Charter. The charter is a formal document that defines the internal audit activity's purpose, authority, and responsibility. The charter establishes the internal audit activity's position within the organization, including the nature of the chief audit executives functional reporting relationship with the board; authorizes access to records, personnel, and physical properties relevant to the performance of engagements; and defines the scope of audit activities. There were no changes made to the charter from the previous year. Internal Audit anticipates changes next year as the International Internal Audit Standards Board public comment has just ended for the draft proposal of Global Internal Audit Standards.

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Mr. Deal moved and Ms. Czack seconded a motion that the Administration and Audit Committee recommends the approval of the Internal Audit Charter as presented at the May 24, 2023 Administration and Audit Committee meeting. The motion passed with a roll call vote as follows:

Ayes: Britt, Corvi, Czack, **Deal**, Drum, Heller, and Miller

Nays: None

ITEM D: Internal Audit Status Report: Ms. Sparks presented the Summary of Internal Audit Activity report for the Period Ending May 15, 2023 for the Administration/Audit Committee's review. The intent of this document is to inform the Committee of the various projects in process and/or completed by Internal Audit.

ITEM E & F: ORSC Annual Audit Report and Annual Audit Letter: Ms. Sparks provided the Committee a copy of the Annual Audit Report and Letter to the ORSC.

ITEM G: Five-year review of Administrative Rules 2023 05 004 AAC: As part of the 5-year rule review requirement under Ohio Revised Code Chapter 119, staff has reviewed the following Administrative Rules:

- 742-2-01/Board of trustee election rules
- 742-3-02/Definition and usage of terminal pay and salary in benefit and pension calculations
- 742-3-23/Spousal consent/designation of multiple beneficiaries
- 742-4-02/Implementation date of deferred retirement option plan
- 742-4-04/Rescission of DROP election
- 742-4-05/Purchase of service credit
- 742-4-06/Calculation of DROP benefit
- 742-4-10/Maximum period for DROP participants
- 742-4-14/Impact of irrevocable payroll deduction on DROP
- 742-4-17/Retirement Allowance
- 742-4-18/Default plan of DROP benefit
- 742-9-11/Penalties for employer's failure to file the report of employee deductions in the format approved by OP&F
- 742-9-17/Summary of payment remittance information form (recap form)
- 742-11-01/Rule on books and records reliance

Mr. Danish presented the rules to the Committee including the suggested changes as outlined in the memorandum dated May 24th, 2023.

Mr. Deal moved and Ms. Czack seconded a motion that the Board approves the Administrative Rules outlined in staff's memorandum dated May 24, 2023, and authorizes the required filing of the Rules with the proper agencies. The motion passed with a roll call vote as follows:

Ayes: Britt, Corvi, Czack, **Deal**, Drum, Heller, and Miller

Nays: None

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ITEM H: Pending and Pre-Approval of Trustee Travel: None.

ITEM I: Open Discussion: None.

Mr. Deal adjourned the meeting at 9:16 a.m.



Mr. John Deal
Administration/Audit Committee Chair

Committee Materials Provided/Attached:

1. Memo from Caren Sparks regarding approval of the AAC December 6th, 2022 Meeting Minutes dated 5/24/23.
2. AAC December 6th, 2022 Meeting Minutes.
3. Memo from Caren Sparks regarding the Risk Management Policy dated 5/24/23.
4. Clean copy of the Risk Management Policy.
5. Marked copy of the Risk Management Policy.
6. Memo from Caren Sparks regarding the 2023 Internal Audit Department Charter dated 5/24/23.
7. 2023 Internal Audit Department Charter.
8. Memo from Caren Sparks regarding the Internal Audit Status Update Summary dated 5/24/23.
9. Internal Audit Status Update Summary.
10. Memo from Caren Sparks regarding the ORSC Annual Audit Report dated 5/24/23.
11. ORSC Annual Audit Report.
12. Memo from John Danish regarding the Five-year review of Administrative Rules dated 5/24/23.
13. Copies of the Administrative Rules.