
MINUTES: PUBLIC MEETING
ARIZONA STATE RETIREMENT SYSTEM
OPERATIONS, AUDIT, & LEGISLATIVE COMMITTEE
HELD Wednesday, April 30, 2025, 9:30 a.m.

The Arizona State Retirement System (ASRS) Operations, Audit, & Legislative Committee (OALC) met in public session in the First Floor Board Room of the ASRS Office, 3300 N. Central Avenue, Phoenix, Arizona 85012.

Ms. Sarah Webber, Chairperson of the ASRS OALC, called the meeting to order at 9:30 a.m.

1. Call to Order; Roll Call; Opening Remarks.

Present: Ms. Sarah Webber, Chairperson
Mr. Michael Miller, Vice-chair

One vacant position.

A quorum was present for the purpose of conducting business.

Ms. Makenzie Sikes, ASRS Committee Administrator, provided all attendees with meeting guidelines.

2. Consent Agenda:

- a. **Minutes of the January 29, 2025, Public Meeting of the Operations, Audit, and Legislative Committee (OALC)**
- b. **Minutes of the January 29, 2025, Executive Session of the Operations, Audit, and Legislative Committee (OALC)**

Motion: Mr. Michael Miller moved to approve the Consent Agenda. Ms. Sarah Webber seconded the motion.

By a roll call vote of 2 in favor, 0 opposed, 0 abstentions, 0 excused, and 1 vacancy, the motion was approved. The Trustee votes were as follows:

Ms. Sarah Webber – approved
Mr. Michael Miller – approved

3. Presentation, Discussion, and Appropriate Action Regarding the Employer Services and Active Member Survey Results.

Mr. Jeremiah Scott, Deputy Director & Chief Operations Officer, introduced Zofia Deibler, Strategic Planner, who presented information on the 2024 Employer Survey results. She covered information on increased satisfaction levels, key performance indicators, and net promoter scores. Employers expressed strong satisfaction with ASRS communication and services, with notable improvements in satisfaction with customer service, website performance, and secure messaging. Ms. Deibler provided feedback results regarding areas for improvement. Recommendations included enhancing website features, improving search tools, and providing further education.

Ms. Deibler presented information on the 2025 Active Member Survey results, which included satisfaction scores, net promoter scores, and areas for improvement. This included clearer communication, improved website navigation, and personalized support. Ms. Deibler presented information on priorities that emerged from newer members, including education and ease of access to information. Mr. Miller offered suggestions on teacher education and engagement. Ms. Webber offered compliments on the education of members.

Mr. Miller asked questions regarding net promoter scores. A discussion ensued to clarify.

Discussion Participants: Mr. Michael Miller, Ms. Sarah Webber, Ms. Katie Daingault, Ms. Zofia Deibler, Mr. Jeremiah Scott

4. Presentation, Discussion, and Appropriate Action Regarding Legislative and Rulemaking Initiatives, including:

- a. Rulemaking Update**
- b. Legislative Update**

Ms. Jessica Thomas, Legislative Liaison and Rules Writer, presented information on current rulemaking updates. Ms. Thomas disclosed that four of the five rulemakings on the current regulatory agenda have been approved and are in progress. In May, approval will be requested to begin work on the fifth rulemaking regarding long-term disability. Additionally, there are four separate Five-Year Rule Review Reports being completed.

Ms. Thomas presented information on current legislative updates. She discussed five agency bills, what they pertain to, and their progress in the Senate or House. Ms. Thomas disclosed the fifth bill regarding Return to Work was no longer being pursued to allow stakeholders more time to ensure the bill language benefits the members and is in compliance with the Internal Revenue Service code.

Mr. Miller asked questions regarding the status of bills not progressing and the status of Senate Bill 1221 with regard to ASRS investment portfolios. A discussion ensued to clarify.

Discussion Participants: Mr. Michael Miller, Ms. Sarah Webber, Mr. Jeremiah Scott, Ms. Jessica Thomas

5. Presentation, Discussion, and Appropriate Action Regarding the ASRS Information Security Program.

Motion: Mr. Michael Miller moved to go into executive session pursuant to A.R.S. § 38-431.03(A) (9) for the purpose of discussion or consideration of security information and records exempt by law from public inspection. Ms. Sarah Webber seconded the motion.

By a roll call vote of 2 in favor, 0 opposed, 0 abstentions, 0 excused, and 1 vacancy, the motion was approved. The Trustee votes were as follows:

Ms. Sarah Webber – approved
Mr. Michael Miller – approved

COMMITTEE COVENED TO EXECUTIVE SESSION: 10:03 a.m.
EXECUTIVE SESSION CONCLUDED: 10:29 a.m.
COMMITTEE RECONVENED TO PUBLIC SESSION: 10:30 a.m.

Chairperson Webber reconvened the Open Session. Ms. Sikes called the roll. A quorum of the Committee was present to discuss business.

6. Call to the Public.

No one from the public requested to address the Committee.

7. Presentation, Discussion, and Appropriate Action Regarding the Internal Audit Quarterly Report (3Q2025).

Mr. Harold Mackey, Chief Internal Auditor, presented information on the quarterly updates and activities of the ASRS Internal Audit Division (IAD). He introduced Mr. Colin Thomure, Audit Officer, as a new addition to the IAD. Ms. Webber welcomed Mr. Thomure. Mr. Mackey summarized administrative activities, IAD future plans and strategies, and future internal audit activities involving ASRS divisions. He detailed recent changes in the standards for the Institute of Internal Auditors and the current progress of updating internal documentation. Mr. Mackey presented information on both future and in-progress audits, as well as other completed audits.

Discussion Participants: Ms. Sarah Webber, Mr. Harold Mackey, Mr. Colin Thomure

8. Presentation, Discussion, and Appropriate Action Regarding the ASRS Audit Plan for the Two Fiscal Years of 2026 and 2027.

Mr. Mackey presented information on the Biennial Audit Plan for fiscal years 2026 and 2027. Mr. Mackey presented the current audit process, strategic risk management, and the annual audit review. He detailed the focus on automating the process of annual reviews and audit tasks. Mr. Mackey described process improvements to shrink budgeted hours. He detailed high-level summaries of annualized audits and audits that will not be annualized. Mr. Miller and Ms. Webber commended Mr. Mackey and IAD staff on the proposed audit plan.

Discussion Participants: Mr. Michael Miller, Ms. Sarah Webber, Mr. Harold Mackey

Motion: Mr. Michael Miller moved to accept the proposed Biennial Audit Plan and forward to the full Board for approval. Ms. Sarah Webber seconded the motion.

By a roll call vote of 2 in favor, 0 opposed, 0 abstentions, 0 excused, and 1 vacancy, the motion was approved. The Trustee votes were as follows:

Ms. Sarah Webber – approved
Mr. Michael Miller – approved

9. Summary of Current Events.

Ms. Sarah Webber commented that the legislative session is in progress.

10. Requests for Future Agenda Items.

There were no requests for future agenda items.

11. The next public ASRS Operations, Audit, and Legislative Committee meeting is scheduled for Wednesday, July 30, 2025, at 9:30 a.m.

Ms. Webber noted that the next public ASRS Board meeting is scheduled for Wednesday, July 30, 2025, at 9:30 a.m.

12. Adjournment of the ASRS Operations, Audit, and Legislative Committee.

Ms. Webber adjourned the April 30, 2025, ASRS OALC meeting at 10:58 a.m.

Respectfully Submitted by:

Makenzie Sikes
Committee Administrator
ARIZONA STATE RETIREMENT SYSTEM