



## Compliance Activities “at-a-glance” January-March, 2017

### Vendor contract management and performance standards monitoring:

- Recordkeeper did not meet the standard for Retirement Readiness 2016 ABS
- Custodian met all performance standards
- Investment Consultant met all performance standards; this contract is under review

### Investment guidelines daily monitoring:

- Guidelines for new fixed income manager, TCW, fully constructed and operational
- All managers compliant with their respective guidelines

### Web content monitoring:

- Q1 fund fact sheets for both Plans uploaded to nctreasurer.com
- Governing documents revisions are in progress

### Board member onboarding and training:

- No new members onboarded in the first quarter
  - Reminder to members to complete the 2016 Fiduciary training via GoTo Webinar

### Revision of existing policies and drafting of new policies and desktop guidelines:

- SRP Main policy and Felony Forfeiture policy have undergone annual reviews and the updated versions have been approved. Both policies are in effect.
- Staff drafting two additional policies: Member Complaint Resolution and Lost Members and Beneficiaries. These are expected to become effective in Q2, 2017
- Staff has completed 11 desktop guidelines which depict operational procedures for accounting, legal, compliance and communications areas.

### Proxy voting annual update regarding 2016/2017 season covering June 1, 2016-June 1, 2017:

- Season concluded successfully; the Plans voted most ballots in United States and Canada
  - Lobbying Reports and Political Contributions dominated “case-by-case” votes
- The Department issued an Invitation to Bid for a proxy vendor; staff is in the process of proposal review and reference checks

### Multi-employer plan management:

- “Eligible compensation” definition was sent to four employers who permitted unused sick leave to be contributed to the Plans. Recordkeeper and staff are assisting the employers with the necessary corrections
- RSD determined that certain county commissioners were not eligible to contribute to pension system but were permitted to do so. SRP staff investigated and determined that there was no impact to the NC 401(k) Plan
- 7 beneficiaries were erroneously permitted to roll-in outside funds into the Plans. Staff and recordkeeper notified the beneficiaries that funds will need to be removed