



**AUDIT COMMITTEE OF THE CITY OF NEW YORK
MINUTES OF THE AUDIT COMMITTEE MEETING
WEDNESDAY, JUNE 26, 2024
AT THE OFFICE OF THE COMPTROLLER
AND REMOTELY VIA ZOOM MEETING**

ATTENDANCE

Chairman	Michael Spitzer
Private Members	Marcia Van Wagner
Public Members	Representing the Mayor – Paul Tymus Representing the Comptroller – Jacqueline Thompson Representing the Public Advocate – Wesley Paisley
Secretary	Katrina Stauffer
Independent Auditors	Grant Thornton LLP – Marla Hummel via Zoom, Michael Ryan via Zoom CliftonLarsonAllen LLP – James Kreiser via Zoom, Chris Rogers via Zoom
Others	New York City Deferred Compensation Plan – Mai Chau, Beth Kushner New York City Mayor’s Office of Risk Management and Compliance – Doug Giuliano, Jean-Claude LeBec, Julian Ross New York City Office of Management & Budget – Man Hon Cheung, Linda Maldonado New York City Comptroller’s Office – Grace Cheng, Giovanne Quezada, Jessica Sanchez, Joan Stapleton, Susanna Tregor

Audit Committee Meeting – June 26, 2024

I. **Call to Order and Roll Call**

Mr. Michael Spitzer, the Audit Committee Chairman, called the Audit Committee Meeting to order at 9:40 am. Ms. Katrina Stauffer, the Audit Committee Secretary, took roll call; a quorum was present.

II. **Presentation of the Financial Statements of the New York City Deferred Compensation Plan**

The first agenda item was the review of the financial statements of the New York City Deferred Compensation Plan (DCP) for the fiscal year ended June 30, 2023. Beth Kushner, Deputy Director of Administration for DCP, introduced the other representatives of DCP present, and the representatives of CliftonLarsonAllen LLP, DCP's independent auditors.

For Fiscal Year 2023, DCP reported over 243,000 participants. The total combined net position was \$30 billion, an increase of \$4 billion from Fiscal Year 2022. Auditors issued an unmodified opinion on June 4, 2024. Additional IT procedures found the Plan to be in compliance with digital financial services standards.

A question and answer session took place after the presentation. Several matters were discussed including:

- There were 161,998 accounts in the 457 plan in Fiscal Year 2023, which is the second-largest 457 Plan in the country, behind New York State.

- The total rollover contributions in Fiscal Year 2023 totaled \$961 million. The Plan was considered mature, with members in their 40s, 50s, and 60s.
- There are rollovers into the Plan from pension loans and outside plans. A campaign was underway to educate members that they can roll their funds in the New York City Employee IRA, avoiding higher management fees from retail funds.
- New members received information about the difference between a 457 Plan and a 401(k) Plan.
- The City moved to a mostly permanent civil service employee status. Employees were required to enroll in the pension plan or in the new Voluntary Defined Contribution plan for eligible employees.
- Employees took advantage of the Plan for retroactive payments that came through over the past few years to defer more money into the programs, avoid the taxes and increase their retirement income.
- There was no management letter issued. Controls were operating efficiently.
- Investments are made based on the Plan policy, which is reviewed quarterly by consultants and presented to the Board to determine compliance.
- The Cyber Security Assessment and Information Technology Review Report was not shared with the City's Cyber Security Task Force.
- The Plan did work with New York City Office of Technology & Innovation's (OTI) Cyber Command and hired its own vetted and competent Chief Information Security Officer, who was dedicated to procedures and compliance.

- A copy of the DCP Cyber Security report will be sent to OTI's Cyber Command.

There being no further questions, Chairman Spitzer thanked the representatives of DCP for their participation at today's meeting.

III. Motion to Accept Minutes of the May 22, 2024 and June 5, 2024 Meetings

The next agenda item was the approval of the draft minutes of the Audit Committee Meetings held May 22, 2024 and June 5, 2024. The Committee approved the meeting minutes for May 22 and June 5, subject to any non-substantive editorial comments submitted to the Secretary.

IV. Executive Session

Chairman Spitzer asked for a motion to enter Executive Session. A motion was made to enter Executive Session for the purpose of discussing non-public financial information about The City of New York. The motion was unanimously approved.

V. Adjournment

There being no further business before the Committee, a motion was made to adjourn the June 26, 2024 Audit Committee Meeting; the motion was unanimously approved.