

## Position Specification

### School Employees Retirement System of Ohio Chief Risk Officer



SERS, with approximately \$18 billion in assets, located in Columbus, Ohio, is searching for a *Chief Risk Officer* to join this highly regarded statewide public retirement system. The position is open as a result of the current Chief Risk Officer retiring.

#### **System Overview**

SERS is a statewide, cost sharing, multiemployer defined benefit retirement system for non-teaching persons employed by Ohio's public K-12 schools districts; vocational, technical and community schools; community colleges; and certain employees of the University of Akron. Serving over 240,000 active and retired members, and more than 1,000 employers, SERS provides retirement, disability and survivor benefits, and access to health care coverage for eligible benefit recipients and their dependents.

On September 1, 2022, SERS celebrated its 85<sup>th</sup> anniversary. Their mission is *"To provide our membership with valuable lifetime pension benefit programs and services."* SERS is governed by Ohio law, and the Retirement Board is responsible for the System's general administration and management.

The Retirement Board comprises nine members: four elected employee members, two elected retiree members, and three appointed investment expert members. The Governor appoints one investment expert, a second is appointed by the State Treasurer, and the third jointly appointed by the Speaker of the House and President of the Senate.

SERS' investment portfolio is diversified by asset class, investment approach, and individual investments within each asset class to reduce overall portfolio risk and volatility. At year end, SERS' investment portfolio at fair value was \$17.9 billion. The time weighted investment return was 7.4% (net) for FY2023 exceeding the policy benchmark by 0.3%. SERS returns ranked in the top decile (10%) in Wilshire's public fund universe on a gross of fee basis for the three-, five-, and ten-year periods.

SERS' primary objective is to assure that at the time benefits commence, sufficient funds will be available to provide retirement, disability, and survivor benefits for its members. For FY2023, the funded ratios for the three benefits mandated by statutes (basic benefits) increased from 75.5% over a 22-year period to 76.6% over a 21-year period. The funding level for discretionary health care benefits increased from 45.4% to 46.1% over a 30-year period. The Health Care Fund is projected to remain solvent through 2062.

Public pensions positively impact Ohio's economy. Of the 81,833 individuals receiving pension benefits from SERS, nearly 91% live in Ohio. In FY2023 alone, benefit payments of approximately \$1.25 billion were distributed among Ohio's 88 counties, positively impacting the state's economy. For every dollar in employer contributions invested in SERS' retirement benefits last year, \$2.45 was returned to local economies.

For additional information, visit [www.ohsers.org](http://www.ohsers.org). A copy of the Annual Comprehensive Financial Report is available at [2023 SERS ACFR Document \(ohsers.org\)](#)

### **SERS Culture**

SERS is an organization where employees are empowered and valued, and where innovation is encouraged. A culture of openness, transparency and collaboration has led to implementation of best and leading practices throughout the organization. SERS is recognized as an employer of choice where employees enjoy their work, are recognized, and rewarded.

### **Enterprise Risk Management Department Overview/Responsibilities**

Reporting to the Deputy Executive Director, the Chief Risk Officer (CRO) is responsible for overseeing and directing the Enterprise Risk Management (ERM) program. SERS ERM Program, started in early 2020 with the hiring of the CRO, has shown steady progress in reducing and managing key risks while creating a firm foundation for risk management and reporting.

The ERM Program, built by adopting best practices from various frameworks (e.g., International Organization for Standardization, National Institute for Standards and Technology, Control Objectives for Information Technologies), goals are to:

- Enable Risk Informed Decision Making
- Create a Risk Awareness Culture
- Lessen Impact of Adverse Events
- Enhance Board Risk Oversight
- Exploit Opportunities

The CRO role involves promoting and enhancing prudent risk management practices and ensuring compliance with SERS policies, rules, regulations, and laws. The ERM Program focuses on risks associated with information security, cyber risk, and insurance; vendor management; business continuity, disaster recovery and incident response; investment compliance; and artificial intelligence.

The CRO's office oversees the identification, evaluation, mitigation, and monitoring of non-investment related risks, and in coordination with other functions, independently monitors investment-related risks. The CRO plays a crucial role in ensuring alignment of management's risk tolerance and mitigation controls with the Retirement Board's expectations. Additionally, the risk management group is responsible for reporting the status of key risks to process owners, executive leadership, and the Retirement Board.

The CRO leads a team of three, which includes the Information Security Officer (ISO), an Enterprise Risk Management Officer, and a Compliance Analyst. An additional Information Security Analyst to support the IS Program is pending budget approval.

The CRO is expected to exercise independent judgment all while collaborating with other departments. Below are some of the crucial duties and responsibilities:

- Provides consultation and technical assistance to SERS' management and staff to identify and analyze risks, associated exposures, and relevant controls to mitigate risks related to SERS' business goals and objectives.
- Provides guidance and direction over SERS' IS program by establishing and maintaining the appropriate security and governance practices for cyber security risks. Partners with the business units to build a strong culture and raise awareness of cyber risk management.
- Works closely with the ISO to implement tools that develop and enhance monitoring and reporting for issue evaluation and escalation.
- Promotes ERM implementation of risk-based decision-making processes throughout the organization by working with each business unit to align risk responses with risk tolerances.
- Coordinates detailed risk assessments throughout the organization, provides centralized risk oversight and reviews and analyzes business processes pertaining to risk and controls.
- Provides training, direction, guidance and assistance to management, staff, and the Retirement Board on ERM-related matters.
- Coordinates risk coverage with the Chief Audit Officer, external auditor, and other service providers to share results and minimize duplication and overlap of resources.
- Ensures the ERM program and SERS strategic planning processes are closely aligned and integrated.
- Ensures that critical enterprise-wide risks are being properly managed and that appropriate mitigation strategies are in place.
- Assists in the development, execution, and periodic testing of SERS' Incident Response Plan, which encompasses Business Continuity and Disaster Recovery Plans.
- Coordinates with management and staff to identify and prioritize areas of potential risk to fund operations through completion of Business Impact Analysis reviews.
- Provides support to the Board's Technology Committee on cyber security matters and to the Audit Committee by participating in the fraud risk assessment process and raising fraud awareness.
- Directs or coordinates the oversight of information security incidents or other suspected misconduct investigations, as necessary.
- Leads the organization's Artificial Intelligence strategy, policy development, and compliance.

### **Qualifications and Preferences**

SERS is seeking a strategic risk and/or audit executive with extensive experience in operational risk management to lead its ERM program. Minimum qualifications include a bachelor's degree and at least seven years of relevant and transferable experience in enterprise risk management, auditing, strategic planning, business continuity, information security, or related fields.

Preferences include:

- An advanced degree with significant coursework in risk management, auditing, strategic planning, or a related field.
- Certification such as Certified Public Accountant (CPA), Certified Internal Auditor (CIA), or a recognized risk management credential.
- Current experience and/or knowledge in information security risk management strategies and practices.
- Familiarity with artificial intelligence and related risk management strategies.
- Experience in risk management, auditing, public pension operations, claims processing, investments, healthcare, information security, or information technology.
- Previous experience in the public sector.

### **Leadership Competencies and Characteristics**

The ideal candidate is a respected organizational leader who will actively promote enterprise risk management and further enhance the culture of awareness. As a member of the senior leadership team, the CRO must collaborate effectively with other executives, and maintain harmonious relationships with co-workers, staff, vendors, contractors, and work effectively in a professional team environment that includes remote team interactions.

The CRO must be a team player, and communicate in an open, honest, transparent, and forthright manner. They should be comfortable raising issues and sharing their opinions and be willing to have courageous conversations when necessary. Additionally, the ideal candidate should possess adaptability and agility, coupled with emotional intelligence to effectively lead change initiatives.

Key competencies for success as a SERS executive include optimism, inspiration, and forward-thinking, always prioritizing what is best for SERS as a whole. The CRO should also demonstrate confidence, poise, and presence in effectively communicating complex matters. Furthermore, they should excel in active listening, consensus-building, and negotiation, while also respecting the unique demands of working in a public environment.

### **Compensation**

The CRO is an exempt position and an “at will” employee. Compensation includes a base salary, retirement benefits (24% contribution – 14% employer paid, and 10% employee paid, SERS does not participate in Social Security), and attractive benefits package, including reimbursement for education and professional training. SERS also provides relocation assistance.

SERS supports flexible work arrangements to achieve a highly productive work environment while providing staff with the opportunity to balance work and personal needs. Under the remote work guidelines, the CRO position is eligible for up to two days a week after the first 30 days. The arrangement can be modified or terminated at any time at management’s discretion.

**For additional information or to apply**, please contact Hudepohl & Associates, [info@hudepohl.com](mailto:info@hudepohl.com) or (614) 854-7300.