



MINUTES

**Quarterly Meeting of the Audit & Risk Committee
of the Board of Trustees of the
State Universities Retirement System
Thursday, December 8, 2022, 4:30 p.m.
State Universities Retirement System
Via remote access only due to ongoing COVID-19 concerns**

The meeting on December 8, 2022, was conducted via video conference pursuant to the Governor's COVID-19 Executive Order dated November 10, 2022, and subsection (e) of Section 7 of the Illinois Open Meetings Act. Chair John Atkinson of the SURS Board of Trustees determined that a full, in-person meeting was not practical nor prudent due to the ongoing Covid-19 disaster concerns.

The following trustees were present: Mr. John Atkinson, Dr. Andriy Bodnaruk, Ms. Jamie-Clare Flaherty, Dr. Fred Giertz, Mr. John Lyons, Mr. Scott Hendrie, Dr. Steven Rock, Mr. Collin Van Meter, Mr. Antonio Vasquez and Mr. Mitch Vogel.

Others present: Ms. Suzanne Mayer, Executive Director; Mr. Douglas Wesley, Chief Investment Officer (CIO); Ms. Ellen Hung, Deputy CIO; Ms. Jackie Hohn, Chief Internal Auditor; Mr. Jefferey Saiger, Chief Technology Officer; Ms. Tara Myers, Chief Financial Officer; Ms. Nichole Hemming, Chief Human Resources Officer; Ms. Bianca Green, General Counsel; Ms. Kristen Houch, Director of Legislative and Stakeholder Relations; Ms. Alicia Route, Legislative Analyst; Ms. Kelly Carson, Ms. Chelsea McCarty and Ms. Annette Ackerman, Executive Assistants; and Mr. Michael Calabrese of Foley.

Audit & Risk Committee roll call attendance was taken. Trustee Bodnaruk, present; Trustee Giertz, present; Trustee Hendrie, present; and Trustee Rock, present.

APPROVAL OF MINUTES

Trustee Giertz presented the minutes from the Audit & Risk Committee meeting of October 20, 2022.

Trustee Bodnaruk made the following motion:

- That the minutes from the October 20, 2022 Audit & Risk Committee meeting be approved as presented.

Trustee Hendrie seconded the motion which passed via the following roll call vote.

Trustee Bodnaruk	-	aye
Trustee Giertz	-	aye
Trustee Hendrie	-	aye
Trustee Rock	-	aye

APPROVAL OF CLOSED MINUTES

Trustee Giertz presented the closed minutes from the Audit & Risk Committee meeting of October 20, 2022.

Trustee Rock made the following motion:

- That the minutes from the October 20, 2022 Audit & Risk Committee meeting be approved as presented and remain closed.

Trustee Bodnaruk seconded the motion which passed via the following roll call vote.

Trustee Bodnaruk	-	aye
Trustee Giertz	-	aye
Trustee Hendrie	-	aye
Trustee Rock	-	aye

CHAIRPERSON'S REPORT

Trustee Giertz did not have a formal chairperson's report.

INTERNAL AUDIT

IIA Standards Discussion

Ms. Jackie Hohn discussed the Internal Auditors International Standards that SURS is required to follow for the Professional Practice of Internal Auditing Standards. Within the framework of this audit the mandatory elements include the Core principles for the Professional Practice of Internal Auditing and the Definition of Internal Auditing. These standards are in the process of being reviewed and will be updated in 2023 and 2024. The Internal Audit department is in conformance with the current set of standards.

Refund Audit Report

Ms. Hohn explained the objectives of the Refund Audit Report. These objectives are to determine whether the procedures for payment of refunds are adequate and conform to the Illinois Pension Code, the Joint Committee on Administrative Rules (JCAR) and applicable federal laws. She shared some of Internal Audit's concerns and she also shared the opinion that the calculations and payment procedures for both Traditional and Portable Plan refunds adequately conform to the Illinois Pension Code, to the Joint Committee on Administrative Rules (JCAR) and comply with applicable federal laws. There were no findings discovered during the performance of this audit and therefore no recommendations were provided.

AAI Buyout Audit

Ms. Hohn explained the objectives of the AAI Buyout Audit. These objectives are to determine whether the AAI Buyout records contained in the Pay Benefit Master file are accurate and conform to the Illinois Pension Code, to the Joint Committee on Administrative Rules (JCAR) and comply with applicable federal law. She explained that the main risk identified by Internal Audit for this audit related to ensuring the AAI was delayed to the correct date and a reduced AAI was paid to annuitants who elected the AAI Buyout. Internal Audit formed the opinion that the first AAI calculation and date procedures for the annuitants who elected the reduced and delayed AAI Tier I buyouts adequately conform to the Illinois Pension Code, to the Joint Committee on Administrative Rules (JCAR) and comply with applicable federal laws. Internal Audit was pleased to report that no findings were discovered during the audit and no recommendations were necessary.

CLOSED SESSION

Trustee Hendrie moved that the Audit & Risk Committee go into closed session at 2:40 p.m. pursuant to §2(c)(8) of the Illinois Open Meetings Act. Trustee Rock seconded, and the motion passed via the following roll call vote:

Trustee Bodnaruk	-	aye
Trustee Giertz	-	aye
Trustee Hendrie	-	aye
Trustee Rock	-	aye

RETURN TO OPEN SESSION

Trustees resumed open session at 5:00 p.m.

INFORMATIONAL ITEMS NOT REQUIRING COMMITTEE ACTION

Death Match

Ms. Jackie Hohn did not have an update regarding the Death Match for this quarter. It has remained the same as it has during previous quarters.

PUBLIC COMMENT

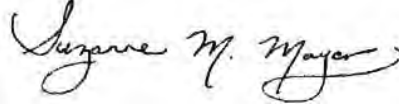
There were no public comments presented to the Audit & Risk Committee.

There was no further business brought before the committee and Trustee Rock moved that the meeting be adjourned. The motion was seconded by Trustee Hendrie and the motion passed via the following roll call vote:

Trustee Bodnaruk	-	aye
------------------	---	-----

Trustee Giertz	-	aye
Trustee Hendrie	-	aye
Trustee Rock	-	aye

Respectfully submitted,

A handwritten signature in cursive script, reading "Suzanne M. Mayer". The signature is written in dark ink on a light background.

Ms. Suzanne M. Mayer
Executive Director and Secretary, Board of Trustees

SMM:cm