



## MINUTES

**Quarterly Meeting of the Audit & Risk Committee  
of the Board of Trustees of the  
State Universities Retirement System  
Thursday, June 2, 2022, 2:00 p.m.  
State Universities Retirement System**

**Via remote access only due to ongoing COVID-19 concerns**

The meeting on June 2, 2022, was conducted via video conference pursuant to, the Governor's COVID-19 Disaster proclamation dated May 27, 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; Mr. Richard Figueroa; Dr. Fred Giertz, chair; Mr. Scott Hendrie; Dr. Steven Rock; Mr. Collin Van Meter; and Dr. Scott Weisbenner.

Others present: Ms. Suzanne Mayer, Executive Director; Mr. Douglas Wesley, Chief Investment Officer (CIO); Ms. Ellen Hung, Deputy CIO; Ms. Tara Myers, Chief Financial Officer; Ms. Bianca Green, General Counsel; Ms. Kelly Valle, Investments Officer; Ms. Stephany Brinkman, Investments Officer; Ms. Kristen Houch, Director of Legislative and Stakeholder Relations; Ms. Alicia Route, Legislative Analyst; Ms. Tracy Bennett, Compliance Analyst; Mr. Albert Lee, Associate General Counsel; Ms. Jackie Hohn, Chief Internal Auditor; Mr. Jefferey Saiger, Chief Technology Officer; Ms. Kelly Carson and Ms. Chelsea McCarty, 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

Trustee Vogel joined the meeting at 2:27 p.m.

## APPROVAL OF MINUTES

Trustee Giertz presented the minutes from the Audit & Risk Committee meeting of March 10, 2022.

Trustee Rock made the following motion:

- That the minutes from the March 10, 2022 Audit & Risk Committee meeting be approved as presented.

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

### **APPROVAL OF CLOSED MINUTES**

Trustee Giertz presented the closed minutes from the Audit & Risk Committee meeting of March 10, 2022.

Trustee Hendrie made the following motion:

- That the minutes from the March 10, 2022 Audit & Risk Committee meeting be approved as presented and remain closed.

Trustee Rock 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**

#### **Internal Quality Assurance Review Report**

Ms. Jackie Hohn began her report by explaining that the Audit department is required to have a review by an external party every five years. This year, the review was completed by the SERS Internal Audit Chief. Upon completion of the review, the opinion provided was clean. The report further noted that the Audit department conformed to the internal audit standards. There were a few recommendations provided and those were explained to the board.

#### **Retirement Audit Report**

Ms. Hohn reviewed the retirement audit report, which covered claim calculations that were completed at SURS between September 1, 2019, through July 31, 2021. The audit involved a recalculation of 43 retirement claims and the auditors also reviewed the information for 25 return-to-work annuitants to make sure they were not affected annuitants. She explained the objectives

of this audit in further detail to the board. There were no findings and/or recommendations provided by the auditors.

### **Survivor Audit Report**

Ms. Hohn explained the objective of this audit was to determine whether the procedures for the calculation and payment of survivor and reversionary annuities are adequate to conform to the requirements of the Illinois Pension Code, the Joint Committee on the Administrative Rules (JCAR) and applicable federal laws. There were no findings and no recommendations provided by the auditors.

### **Enterprise Risk Management**

Ms. Hohn briefly explained that Enterprise Risk Management (“ERM”) is on the Audit department’s radar for fiscal year 2023. The team plans to develop an ERM framework for SURS. The initiative may take a couple of years to complete as they work to identify various types of internal and external risks.

### **Audit Plan**

Ms. Hohn stated that historically speaking SURS Audit team comes up with a two-year audit plan as required by statute and that proposed plan is approved by the executive director. Ms. Hohn asked the members of the Audit Committee if any of the trustees had any specific items they would like to be audited. There were no topics identified by the committee members.

### **CLOSED SESSION**

Trustee Hendrie moved that the Audit & Risk Committee go into closed session pursuant to §2(c)(8) and §2(c)(29) of the Illinois Open Meetings Act to discuss security procedures and attempted fraud by third parties. Trustee Giertz 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 3:07 p.m.

Trustee Hendrie made the following motion:

- That pursuant to section 40 ILCS 5/1-135, the Audit & Risk Committee direct general counsel to report the matter discussed in closed session to the appropriate state’s attorney for further investigation.

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

#### **INFORMATIONAL ITEMS NOT REQUIRING COMMITTEE ACTION**

#### **Death Match**

Ms. Hohn noted that there was nothing new to report regarding the Death Match and she reviewed what was reported over the past 12 months.

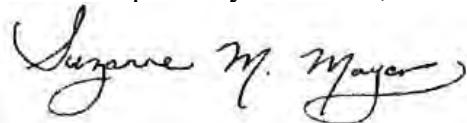
#### **PUBLIC COMMENT**

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,



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

SMM:cm