



MINUTES

**Quarterly Meeting of the Audit & Risk Committee
of the Board of Trustees of the
State Universities Retirement System
Thursday, March 10, 2022, 11:15 a.m.
State Universities Retirement System
Via remote access only due to ongoing COVID-19 concerns**

The meetings on March 10 and 11, 2022, were conducted via video conference pursuant to, the Governor's COVID-19 Disaster proclamation dated March 4, 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; Mr. Andriy Bodnaruk; Mr. Richard Figueroa; Dr. Fred Giertz, chair; Mr. Scott Hendrie; Dr. Steven Rock; Mr. Collin Van Meter; Mr. Mitch Vogel; and Mr. 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. Kristen Houch, Head of Legislative Affairs; Ms. Alicia Route, Legislative Analyst; Ms. Tracy Bennett, Compliance Analyst; Ms. Heather Kimmons, Associate Legal Counsel; Ms. Anna Dempsey, Investment Counsel; Mr. Albert Lee, Associate General Counsel; Ms. Jackie Hohn, Chief Internal Auditor; Mr. Jefferey Saiger, Chief Technology Officer; Ms. Brenda Dunn, Chief Human Resources 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

APPROVAL OF MINUTES

Trustee Giertz presented the minutes from the Audit & Risk Committee meeting of December 2, 2021.

Trustee Hendrie made the following motion:

- That the minutes from the December 2, 2021 Audit & Risk Committee meeting be approved as presented.

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

APPROVAL OF CLOSED MINUTES

Trustee Giertz presented the closed minutes from the Audit & Risk Committee meeting of December 2, 2021.

Trustee Hendrie made the following motion:

- That the minutes from the December 2, 2021 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 wanted to circle back to a statement made at a previous meeting about how the Audit & Risk team has been challenged with more elaborate responsibilities. He briefly commented on a few new items the team has been working on and wants to make sure that in the future these new duties are compartmentalized properly.

INTERNAL AUDIT

Internal Quality Assurance Review Update

Ms. Jackie Hohn reported that the audit department is currently working through the Internal Quality Assurance Review. This review is required by state statute and is to be completed every five years. SURS has an agreement with two other state retirement systems that allows the systems to complete reviews for each other every five years, on a rotational basis. She expects to discuss the outcome of this review with the board during the next meeting in June.

Death Audit

Ms. Hohn explained that the death audit report is complete. This report reviewed all new death claims that were processed between July 1, 2019, and June 30, 2021. She highlighted the two audit findings and provided recommendations relating to the same.

EXTERNAL AUDIT UPDATE

FY 2021 Financial Report Digest and Opinion

Ms. Hohn reported that the Financial Statement Audit is complete. The audit resulted in one unmodified opinion rendered by BKD, LLP which serves as special assistant auditors for the Office of the Auditor General. She then provided additional details from the report.

FY 2021 Report on Allocation of Pension Amount

Ms. Hohn explained how the audit for the Accompanying Schedule of Allocation and Schedule of Pension Amounts of the State of Illinois, State Universities Retirement System was performed by BKD, LLP. The auditors expressed an unmodified opinion for the System's schedules.

Required AU-C Communications to the Board

Ms. Hohn presented the letter to the board that was issued by BKD, LLP serving as special assistant auditors for the Office of the Auditor General. This letter is issued after the completion of the Financial Statement Audit and it provides information including the responsibilities of the auditors and management and significant accounting estimates.

FY 2021 Compliance Audit Report Digest and Summary

Ms. Hohn provided an introductory summary of the compliance findings that were discussed in greater detail in closed session. She also discussed the Compliance Audit Report and findings that will be published on the office of the Auditor General's website.

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 1:15 p.m.

Trustee Hendrie made the following motion:

- That pursuant to section 40ILCS 5/1-135, the Audit & Risk Committee directs general counsel to report the updated matter discussed in closed session to the appropriate state's attorney and relevant law enforcement agencies for further investigation.

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

INFORMATION ITEMS NOT REQUIRING COMMITTEE ACTION

Ms. Hohn reviewed the Quality Assurance & Improvement Program 2021 and the Employee Death Match. She briefly provided an update on each topic and concluded by opening the floor for questions.

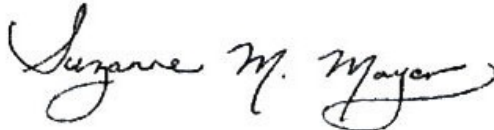
PUBLIC COMMENT

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

There was no further business brought before the committee and Trustee Hendrie moved that the meeting be adjourned. The motion was seconded by Trustee Rock 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