



MINUTES

**Meeting of the Audit & Risk Committee
of the Board of Trustees of the
State Universities Retirement System
Thursday, September 15, 2022, 2:50 a.m.
State Universities Retirement System
Via remote access only due to ongoing COVID-19 concerns**

The meeting on September 15, 2022, was conducted via video conference pursuant to the Governor's COVID-19 Executive Order dated August 19, 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: Dr. Andriy Bodnaruk; Dr. Fred Giertz, chair; Mr. Scott Hendrie; Dr. Steven Rock; Mr. Collin Van Meter; 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, Head of Legislative Affairs; Ms. Alicia Route, Legislative Analyst; Mr. Albert Lee, Associate General Counsel; Ms. Anna Dempsey, Investment Counsel; 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 June 2, 2022.

Trustee Hendrie made the following motion:

- That the minutes from the June 2, 2022 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 June 2, 2022.

Trustee Bodnaruk made the following motion:

- That the minutes from the June 2, 2022 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

CHAIRPERSON'S REPORT

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

INTERNAL AUDIT

Travel & Administrative Expense Audit

Ms. Jackie Hohn explained the objectives of the travel and administrative expense audit which are to determine whether the accounting and the payment procedures for travel and other administrative expenses conform to the Illinois Pension Code, State of Illinois Procurement policies, regulations of the Higher Education Travel Control Board (HETCB) regulations (Part 2900) and SURS travel and purchasing policies. She reviewed the findings and recommendations and concluded with that although there were some errors identified, the travel and administrative expenses reasonably conformed to the required standards.

Investments

Ms. Jackie Hohn reviewed the Investment Audit Report. The objective of this audit was to determine whether the investment policies and procedures adequately conform to the laws as prescribed in the Illinois Pension Code and the rules of the system. During this audit, Internal Audit examined general compliance with state statutes and investment policies for the period ended December 31, 2021. There were no findings or recommendations identified during the audit.

Approval of Internal Audit Plan FY 2023 & 2024

Ms. Jackie Hohn explained that the current Internal Audit Plan was reviewed and approved by the executive director prior to June 27, 2022. The audit plan consists of SURS mandatory audits along with an additional actuarial audit. She briefly explained each of the audits planned for FY 2023 and FY 2024.

Trustee Rock made the following motion:

- That the Internal Audit Plan for FY 2023/2024 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 INTERNAL AUDIT POLICY

Ms. Jackie Hohn presented the official Internal Audit Policy which outlines the general policies governing the SURS department of Internal Audit. The mission of the Internal Audit Department is to enhance and protect organizational value by providing risk-based, relevant and objective assurance, advice and insight. The primary changes to the Internal Audit Policy were to format the policy to the new SURS policy template. She explained that minor edits were made for technical corrections and additional reporting requirements were added that are required to maintain compliance with the Illinois State Auditing Act, Fiscal Control and Internal Auditing Act and the International Standards for the Professional Practice of Internal Auditing.

Trustee Hendrie made the following motion:

- That the Internal Audit Policy 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

CLOSED SESSION

Trustee Hendrie moved that the Audit & Risk Committee go into closed session 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 3:43 p.m.

INFORMATION ITEMS NOT REQUIRING COMMITTEE ACTION

Ms. Jackie Hohn reviewed the FCIAA Audit Plan Completion Summary for FY 2022, the Internal Audit Independence Confirmation and the Employee Death Match. She briefly provided an update on each topic and concluded by opening the floor for questions.

FRAUD REPORT

This is a standing agenda item but there were no fraud items to be presented to the committee during this meeting.

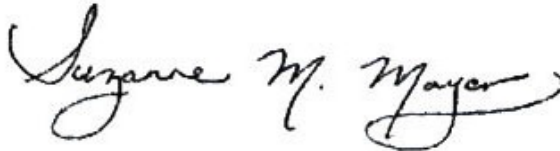
PUBLIC COMMENT

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