



**Quarterly Meeting of the Audit & Risk Committee
of the Board of Trustees of the
State Universities Retirement System
Friday, June 2, 2023, 11:50 a.m.
Northern Trust - 333 S. Wabash Ave., 44th Floor - Chicago, IL
*Optional Remote Connection for Members of the Public***

The meetings on June 1-2, 2023, were conducted in person at Northern Trust – Chicago, IL. Because an in-person quorum was present, a motion was made at the beginning of the meeting that allowed trustees Lyons and Vasquez to participate in the meetings by electronic means.

The following trustees were present: Mr. John Atkinson, Dr. Andriy Bodnaruk, Mr. Richard Figueroa, Ms. Jamie-Clare Flaherty, Dr. Fred Giertz (chair), Mr. Scott Hendrie, Dr. Steven Rock, Mr. Collin Van Meter, Mr. Antonio Vasquez (via zoom), 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.

Trustee Lyons joined the meeting via zoom at 12:17 p.m.

Trustee Flaherty left the meeting at 11:55 a.m.

Prior to any business brought before the committee and after an in-person quorum was established, Trustee Hendrie moved to allow remaining trustees to participate via video or conference call for the Audit & Risk Committee meeting on June 2, 2023, pursuant to Section 7(a) of the Open Meetings Act. The motion was seconded by Trustee Rock, and it passed via the following roll call vote:

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

Trustee Rock - aye

APPROVAL OF MINUTES

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

Trustee Hendrie made the following motion:

- That the minutes from the March 10, 2023 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 October 20, 2022.

Trustee Bodnaruk made the following motion:

- That the minutes from the March 10, 2023 Audit & Risk Committee meeting be approved as presented and remain closed.

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

CHAIRPERSON'S REPORT

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

CHIEF INTERNAL AUDITOR'S REPORT

Ms. Jackie Hohn provided a report updating the board regarding progress made with Enterprise Risk Management (ERM) and the Actuarial Audit. SURS is still currently working on developing the methodology that they want to follow for ERM and staff began documenting controls and risks for the Information Technology (IT) department. The plan is to follow this process for other

departments once the IT department is done. The actuarial audit request for proposal (RFP) evaluation process is complete and SURS is negotiating a contract with the chosen vendor.

INTERNAL AUDIT

Disability

Ms. Jackie Hohn shared the Disability Audits objectives which were to determine whether the procedures for the calculation and payment of SURS disability benefits (DB) are adequate to conform to the Illinois Pension Code, the Joint Committee on the Administrative Rules (JCAR) and applicable federal laws. She highlighted some of the concerns identified by the Internal Audit. The audit staff examined disability claims (status DB) calculated between July 1, 2020, and September 30, 2022. Internal Audit did not review disability claims computed prior to July 1, 2020. Internal Audit formed the opinion that the benefit calculation and payment procedures for the disability benefits adequately conform to the Illinois Pension Code, the Joint Committee on Administrative Rules (JCAR) and applicable federal law. She reviewed the finding and concluded by providing the recommendation that the Death, Disability and DRA Team ensure revised awards are generated by the claims process and sent to the affected members, and that copies of the revisions be stored in FileNet.

CLOSED SESSION

Trustee Hendrie moved that the Audit & Risk Committee go into closed session at 12:00 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 12:28 p.m.

INFORMATIONAL ITEMS NOT REQUIRING COMMITTEE ACTION

Ms. Hohn reviewed the Employee Death Match. She briefly provided an update on each topic and concluded by opening the floor for questions.

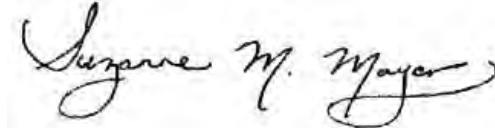
PUBLIC COMMENT

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

There was no further business brought before the committee and Trustee Rock moved that the meeting be adjourned. The motion was seconded by Trustee Bodnaruk 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 black ink, reading "Suzanne M. Mayer". The signature is written in a cursive style with a large initial 'S' and a long horizontal flourish at the end.

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

SMM:cm