



MINUTES

**Quarterly Meeting of the Audit & Risk Committee
of the Board of Trustees of the
State Universities Retirement System
Friday, September 13, 2024, 10:00 a.m.
State Universities Retirement System
1901 Fox Dr. – Main Conference Room – Champaign, IL 61820
*Optional Remote Connection for Members of the Public***

This meeting was held in person at the State Universities Retirement System in Champaign, IL

The following trustees were present: Dr. Fred Giertz; Mr. Scott Hendrie, Mr. Pranav Kothari (via zoom), Mr. John Lyons, Mr. Herbet Pitman; Dr. Steven Rock, Mr. Collin Van Meter, and Mr. Antonio Vasquez.

Others present: Ms. Suzanne Mayer, Executive Director; Ms. Bianca Green, General Counsel; Mr. Albert Lee, Associate General Counsel; Ms. Heather Kimmons, Associate Legal Counsel; Mr. Michael Schlachter, Chief Investment Officer; Ms. Anna Dempsey, Investment Counsel; Ms. Nichole Hemming, Chief Human Resources Officer; Mr. Jefferey Saiger, Chief Technology Officer; Ms. Tara Myers, Chief Financial Officer; Ms. Jackie Hohn, Chief Internal Auditor; Ms. Kristen Houch, Director of Legislative and Stakeholder Relations; 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, not called; Trustee Giertz, present; Trustee Hendrie, present; and Trustee Rock, present.

MOTION TO ALLOW TRUSTEES TO PARTICIPATE VIA ELECTRONIC MEANS

Trustee Hendrie made the following motion to allow specific trustees to participate remotely:

- That Trustee Bodnaruk be allowed to participate via video or conference call for the Audit & Risk Committee Meeting on September 13, 2024, pursuant to Section 7(a) of the Open Meetings Act.

Trustee Rock seconded the motion which passed via all trustees physically present voting in favor of the motion.

Roll call attendance for trustees participating via electronic means was taken: Trustee Bodnaruk, absent.

APPROVAL OF MINUTES

Trustee Giertz presented the minutes from the Audit & Risk Committee meeting of June 6, 2024.

Trustee Hendrie made the following motion:

- That the minutes from the June 6, 2024, Audit & Risk Committee meeting be approved as presented.

Trustee Rock seconded the motion which passed via all trustees present voting in favor of the motion.

APPROVAL OF CLOSED MINUTES

Trustee Giertz presented the closed minutes from the Audit & Risk Committee meeting of June 6, 2024

Trustee Hendrie made the following motion:

- That the closed minutes from the June 6, 2024, Audit & Risk Committee meeting be approved and remain closed.

Trustee Rock seconded the motion which passed via all trustees present voting in favor of the motion.

CHAIRPERSON'S REPORT

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

INTERNAL AUDIT

Death Benefit Audit Report

Ms. Jackie Hohn presented the Death Benefit Audit Report. She explained that the audit objectives were to determine whether the procedures for the calculations and payment of death benefits adequately conformed to the Illinois Audit Pension Code, the Joint Committee on Administrative Rules (JCAR) and applicable federal law. She reviewed the activities that Internal Audit Department was concerned with and she explained how the audit was performed. Ms. Hohn concluded that the opinion formed by the SURS Internal Audit Department is that the benefit calculation payment procedures for the computer calculated death benefits adequately conformed to the Illinois Pension Code, the Joint Committee on Administrative Rule (JCAR) and applicable

federal laws. She confirmed that because there were no findings discovered by Internal Audit, no recommendations were made.

Survivor Benefit Audit Report

Next, Ms. Jackie Hohn presented the Survivor Benefit Audit Report. The audit objectives were to determine whether the procedures for the calculation and payment of survivor and reversionary annuities were adequate to conform to the Illinois Pension Code, the Joint Committee on Administrative Rules (JCAR) and applicable federal laws. She reviewed the activities that Internal Audit Department were concerned with and she explained how the audit was performed. She shared that the opinion formed by the SURS Internal Audit Department is that the survivor and reversionary benefits adequately conformed to the Illinois Pension Code, the Joint Committee on Administrative Rules (JCAR) and applicable federal laws. Ms. Hohn confirmed that because there were no findings discovered by Internal Audit, no recommendations were provided.

Travel and Administrative Audit Report

Ms. Jackie Hohn presented the Travel and Administrative Audit Report. The audit objectives were to determine whether the accounting and the payment procedures for travel and other administrative expenses conformed 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 activities that Internal Audit Department was concerned with and she explained how the audit was performed. Internal Audit examined travel expenditures and other reimbursements made by staff and board members, including administrative expenses for the period 02/01/2023 through 04/30/2024. She confirmed that the opinion formed by the SURS Internal Audit Department is that the approval, payment and purchasing functions associated with the travel and administrative expenses reasonably conformed to the Illinois Pension Code, Illinois Administrative Code, regulations of the Higher Education Travel Control Board (HETCB) regulations (Part 2900) and SURS travel and purchasing policies. She also shared the SURS Internal Audit Department's findings and recommendations.

APPROVAL OF THE TWO-YEAR AUDIT PLAN

Ms. Jackie Hohn presented the FY 2025 Internal Audit Plan to the SURS Board of Trustees. She reviewed the audit activity they should expect to see during FY25, and she provided an estimated timeline for each planned audit.

Trustee Hendrie made the following motion:

- That the two-year Audit Plan presented by the SURS Internal Auditor be approved as presented.

Trustee Rock seconded the motion which passed via all trustees present voting in favor of the motion.

CLOSED SESSION

Trustee Hendrie moved that the Audit & Risk Committee go into closed session at 10:38 a.m. pursuant to §2(c)(8) & §2(c)(29) of the Illinois Open Meetings Act for the consideration of security procedures. Trustee Rock seconded, and the motion passed via all trustees present voting in favor of the motion.

RETURN TO OPEN SESSION

Trustees resumed open session at 11:34 a.m.

INFORMATIONAL ITEMS NOT REQUIRING COMMITTEE ACTION

- Internal Audit Independent Confirmations
- FCIAA Audit Plan Completion Summary

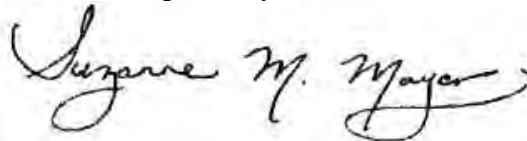
PUBLIC COMMENT

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

ADJOURN

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 it passed with all trustees present voting in favor of the motion.

Respectfully submitted,

A handwritten signature in black ink that reads "Suzanne M. Mayer". The signature is written in a cursive, flowing style.

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

SMM:cm