



CLOSED SESSION MINUTES

**Meeting of the Audit & Risk Committee
of the Board of Trustees of the
State Universities Retirement System
Thursday, March 10, 2022, 11:38 a.m.
State Universities Retirement System
Via remote access only due to ongoing COVID-19 concerns**

Upon motion by Trustee Hendrie, seconded by Trustee Giertz, and following a roll call vote, the Audit & Risk Committee went into closed session pursuant to §2(c)(8) and §2(c)(29) of the Open Meetings Act.

The following trustees were present: Mr. John Atkinson, chair; Mr. Andriy Bodnaruk; Mr. Richard Figueroa; Dr. Fred Giertz; 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. 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.

The Audit & Risk Committee went into closed session at 11:38 a.m.

CYBER SECURITY UPDATE AND COMPLIANCE AUDIT FINDINGS

Ms. Jackie Hohn reviewed the compliance audit findings with the board. She discussed three categories of findings that included material weakness, significant deficiency, and control deficiency. The findings included in the report were considered to be significant deficiencies. After reviewing and discussing the findings she provided her feedback and explained that there was a specific finding statement in the draft audit report that SURS did not agree with given the current processes, procedures and controls currently in place at SURS. She explained that SURS is in the process of developing a standardized process to be used for all SURS policies and procedures with the goal of being able to provide clearer documentation in the future.

Mr. Jefferey Saiger provided the Cyber Security update. He shared the current road map for the information security program, and he shared an update for the progress SURS is expected to make over the current fiscal year. He specifically reported on multifactor authentication which is currently in use and ready to be introduced to the SURS external website.

FRAUD REPORT

Ms. Bianca Green reminded the board that of her prior report of attempted fraud at SURS. SURS staff confirmed that the beneficiary forms received were not valid and then they took necessary

action to investigate and report the same. She also mentioned that SURS has been working with the Cyber Security Insurance company, Resilience. – The cyber security insurer has been “wonderful” to work with and the SURS cyber security analysis is well under way to help determine whether there were any breaches within SURS.

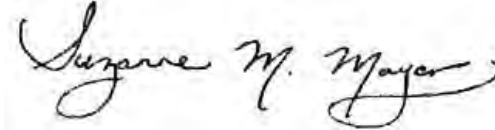
Ms. Heather Kimmons added that a letter was sent to our members whose information was involved in this alleged fraudulent attempt and she also explained the steps that are being taken to investigate the situation. As part of the SURS response, all affected members were offered complimentary one-year subscriptions for identity theft protection and credit monitoring services.

Mr. Jefferey Saiger briefly mentioned why SURS chose Kroll to serve as its forensic analyst to assess the current situation from an IT perspective.

RETURN TO OPEN SESSION

The open meeting resumed at 1:15 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Suzanne M. Mayer". The signature is written in black ink and is centered on the page.

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

SMM:cm