

MINUTES OF THE
AUDIT & COMPLIANCE COMMITTEE

Thursday, June 25, 2020 – 1:00 P.M.
Remote Board Meeting
Per Public Act 101-0640

Present:

<u>Committee Members</u>	Chairwoman Justice Mary Seminara-Schostok Gisela Attlan Comptroller Susana Mendoza
<u>Board Members</u>	Treasurer Michael Frerichs Elizabeth Sanders Jaye Williams
<u>Staff</u>	Genette Bacon-Cordova Johara Farhadieh Mitchell Green Jansen Hein Maryann Hong Dipesh Mehta Atul Talwar David Zaloga
<u>Guests</u>	Burke Burns & Pinelli, Ltd. Sarah Boeckman Illinois State Comptroller's Office Andrew Ranck Illinois State Treasurer's Office Rodrigo Garcia Allen Mayer KPMG Cathy Baumann Anthony Solano Jafar Qutob
<u>Members of the Public</u>	Ronan Marra

Not Present:

Committee Members

Michael Tarnoff

ROLL CALL

Board Chairwoman Schostok called the meeting to order at 1:05 p.m. Ms. Hong noted per the recently passed Public Act 101-0640 and the ongoing COVID-19 public health emergency, it was not prudent to conduct the ISBI Board meetings in person. As such, the June Audit and Compliance Committee meeting would be conducted by virtual means. Ms. Hong also stated for the record that ISBI's General Counsel was physically present at the office.

REPORT OF THE AUDIT & COMPLIANCE COMMITTEE CHAIR

Board Chairwoman Schostok thanked Mr. Zaloga for his service and welcomed Mr. Hein to ISBI. Under the authority established by the ISBI Board By-laws, Board Chairwoman Schostok appointed Trustee Atlan to serve the remainder of Trustee Powell's term as a member of the Audit and Compliance Committee. Board Chairwoman Schostok noted that Committee memberships for all ISBI Committees will be appointed at the annual meeting in September.

Mr. Mehta called the roll and noted a quorum was officially present for the Audit and Compliance Committee.

CONSIDERATION AND APPROVAL OF MINUTES

Trustee Mendoza moved to approve the minutes, as presented, from the May 12, 2020 Audit and Compliance Committee meeting. Trustee Atlan seconded, and the motion was called to a roll call vote. All in favor: Board Chairwoman Schostok, Trustee Atlan, Trustee Mendoza. The motion passed unanimously.

FISCAL YEAR 2020 AUDIT PRESENTATION BY KPMG

Members from KPMG introduced themselves and directed Trustees to the presentation materials. Ms. Baumann and Mr. Solano gave an overview of KPMG's role in ISBI's 2020 Audit and the audit plan for 2020. Board Chairwoman Schostok asked if there were any questions and there were none.

CONSIDERATION AND APPROVAL OF FINANCIAL STATEMENTS (12/31/19)

Mr. Zaloga referred Trustees to the Financial Statements from December 31, 2019. Mr. Zaloga noted that the financial statements were in line with expectations. Mr. Zaloga asked if there were any questions, and there were none.

Trustee Mendoza moved that the Financial Statements from December 31, 2019 be approved and accepted for filing, as presented, consistent with the recommendation of ISBI's Staff. Trustee Atlan seconded, and the motion was called to a roll call vote. All in favor: Board Chairwoman Schostok, Trustee Atlan, Trustee Mendoza. The motion passed unanimously.

CONSIDERATION FOR ACCEPTANCE AND FILING OF RECORD OF VOUCHERS (JANUARY, FEBRUARY, MARCH 2020)

Mr. Zaloga referred Committee Members to the Record of Vouchers paid in January, February, and March 2020. Board Chairwoman Justice Schostok asked members of the Committee if there were any questions regarding the Record of Vouchers and there were none.

Trustee Attlan moved that the Record of Vouchers be approved and accepted for filing, as presented, consistent with the recommendation of ISBI's Staff. Trustee Mendoza seconded, and the motion was called to a roll call vote. All in favor: Board Chairwoman Schostok, Trustee Attlan, Trustee Mendoza. The motion passed unanimously.

ETHICS MATTERS

Consideration and Approval of Agent Contact Report

Mr. Mehta directed Committee members to the Agency Contact Report for the 4th quarter of fiscal year 2020.

Trustee Mendoza moved that the Agent Contact Report as presented be approved and accepted for filing as recommended by ISBI Staff. Trustee Attlan seconded, and the motion was called to a roll call vote. All in favor: Board Chairwoman Schostok, Trustee Attlan, Trustee Mendoza. The motion passed unanimously.

Consideration and Approval of Fiduciary Training Opportunities and Reminder of Board Member Timesheets

Mr. Mehta referred Members to the June 2020 list of Upcoming Training Opportunities, previously provided, and noted that travel expenses are reimbursable if approved in advance by a majority of the Board consistent with the requirements of the Illinois Pension Code and ISBI's policies. Mr. Mehta noted that many of the trainings were virtual, to account for the ongoing COVID-19 Pandemic.

Trustee Attlan moved that the conferences and trainings listed on the June 2020 list of Upcoming Training Opportunities as presented be approved pursuant to Section 1-150 of the Illinois Pension Code and that all resulting allowable expenses consistent with ISBI's policies be reimbursed. Trustee Mendoza seconded, and the motion was called to a roll call vote. All in favor: Board Chairwoman Schostok, Trustee Attlan, Trustee Mendoza. The motion passed unanimously.

NEW BUSINESS/OLD BUSINESS

None.

PUBLIC COMMENT

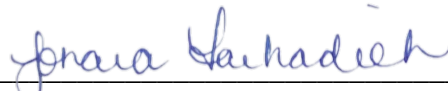
None.

NEXT MEETING AND ADJOURNMENT

Board Chairwoman Schostok noted that the next meeting was scheduled for September 24-25, 2020 and Committee Members will be notified of the time at a later date. At 1:40 p.m., there being

no further business to come before the Committee, Trustee Mendoza moved to adjourn the meeting. Trustee Atlan seconded, and the meeting was adjourned.

Respectfully submitted,

A handwritten signature in blue ink, reading "Johara Farhadieh", written in a cursive style. The signature is positioned above a horizontal line.

Johara Farhadieh, Executive Director/
Chief Investment Officer