

MINUTES OF THE  
AUDIT & COMPLIANCE COMMITTEE

Thursday, October 1, 2020 – 9:00 A.M.  
Remote Board Meeting  
Per Public Act 101-0640

Present:

<u>Committee Members</u>	Chairwoman Justice Mary Seminara-Schostok Gisela Attan Terrence Healy Comptroller Susana Mendoza Michael Tarnoff
<u>Board Members</u>	Treasurer Michael Frerichs Senator Robert Martwick Elizabeth Sanders Jaye Williams
<u>Staff</u>	Genette Bacon-Cordova Mary Cahill Johara Farhadieh Jansen Hein Maryann Hong Dipesh Mehta Alex Somolski Atul Talwar
<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
<u>Members of the Public</u>	Matt McCue, Financial News



## ***ROLL CALL***

Board Chairwoman Schostok called the meeting to order at 9:07 a.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 October 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. Mr. Mehta called the roll and noted a quorum was officially present for the Audit and Compliance Committee.

## ***APPOINTMENT OF STANDING COMMITTEE***

Pursuant to the Board Bylaws, Board Chairwoman Schostok appointed the following members to the Audit and Compliance Committee: Board Chairwoman Schostok as Chair, Trustee Attlan, Trustee Healy, Trustee Mendoza and Trustee Tarnoff.

## ***REPORT OF THE AUDIT & COMPLIANCE COMMITTEE CHAIR***

None.

## ***CONSIDERATION AND APPROVAL OF MINUTES***

Trustee Tarnoff moved to approve the minutes, as presented, from the June 25, 2020 Audit and Compliance Committee meeting. Trustee Attlan seconded, and the motion was called to a roll call vote. All in favor: Board Chairwoman Schostok, Trustee Attlan, Trustee Mendoza, Trustee Tarnoff. Trustee Healy abstained as he was not present at the prior meeting. The motion passed.

## ***REPORT ON STATUS OF FISCAL YEAR 2020 AUDIT***

Mr. Hein stated that the Audit was proceeding according to schedule. Because of the ongoing Covid-19 pandemic, the audit was being conducted remotely, but overall execution remains the same. Board Chairwoman Schostok praised ISBI staff for their efforts. Board Chairwoman Schostok asked if there were any questions and there were none.

## ***CONSIDERATION AND APPROVAL OF FINANCIAL STATEMENTS (3/31/20)***

Mr. Hein referred Trustees to the Financial Statements from March 31, 2020. Mr. Hein noted that the financial statements were overall consistent with expectations. Mr. Hein asked if there were any questions, and there were none.

Trustee Tarnoff moved that the Financial Statements from March 31, 2020 be approved and accepted for filing, as presented, consistent with the recommendation of ISBI's Staff. Trustee Healy seconded, and the motion was called to a roll call vote. All in favor: Board Chairwoman Schostok, Trustee Attlan, Trustee Healy, Trustee Mendoza, Trustee Tarnoff. The motion passed unanimously.

***CONSIDERATION FOR ACCEPTANCE AND FILING OF RECORD OF VOUCHERS  
(APRIL, MAY, JUNE 2020)***

Mr. Hein referred Committee Members to the Record of Vouchers paid in April, May, and June 2020. Mr. Hein noted that certain expenses were generally lower due to ongoing Covid-19 pandemic. Board Chairwoman Justice Schostok asked members of the Committee if there were any questions regarding the Record of Vouchers and there were none.

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

***ACTUAL VS PROJECTED BUDGET FORECAST AS OF 6/30/20***

Mr. Hein referred Members to the Actual vs. Projected Budget Forecast as of June 30, 2020 in the meeting materials. Mr. Hein stated that expenses were within expectations and there were lower expenses in some areas than originally budgeted due to the ongoing COVID-19 pandemic. Chairwoman Schostok asked the Board if there were any questions and there were none.

***ETHICS MATTERS***

Consideration and Approval of Agent Contact Report

Mr. Mehta directed Committee members to the Agency Contact Report for the first quarter of fiscal year 2021.

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

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

Mr. Mehta referred Members to the Fall 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 highlighted Hamilton Lane's annual conference and noted that attendance would count towards Trustee's required training hours. Mr. Mehta noted that the trainings were virtual, to account for the ongoing COVID-19 Pandemic.

Trustee Mendoza moved that the conferences and trainings listed on the Fall 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 Healy seconded, and the motion was called to a roll call vote. All in favor: Board Chairwoman Schostok, Trustee Attlan, Trustee Healy, Trustee Mendoza, Trustee Tarnoff. The motion passed unanimously.

***NEW BUSINESS/OLD BUSINESS***

None.

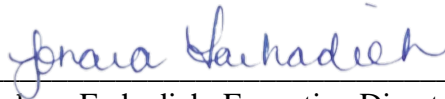
***PUBLIC COMMENT***

None.

***NEXT MEETING AND ADJOURNMENT***

Board Chairwoman Schostok noted that the next meeting was tentatively scheduled for December 8-9, 2020, and Committee Members will be notified of the time at a later date. At 9:33 a.m., there being no further business to come before the Committee, Trustee Tarnoff moved to adjourn the meeting. Trustee Healy seconded, and the meeting was adjourned.

Respectfully submitted,

A handwritten signature in blue ink, reading "Johara Farhadieh", written over a horizontal line.

Johara Farhadieh, Executive Director/  
Chief Investment Officer