

**MINUTES OF THE  
AUDIT & COMPLIANCE COMMITTEE**

Wednesday, December 9, 2020 – 9:00 A.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 Senator Robert Martwick Elizabeth Sanders
	<u>Staff</u>	Genette Bacon-Cordova Mary Cahill Johara Farhadieh Jansen Hein Maryann Hong Jennifer Koelle 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 Patrick Healy
Not Present:	<u>Committee Members</u>	Terrence Healy Michael Tarnoff

## ***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 December 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.

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

None.

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

Trustee Attlan moved to approve the minutes, as presented, from the October 1, 2020 Audit and Compliance Committee meeting. Board Chairwoman Schostok 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.

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

Mr. Hein gave an update on the Fiscal Year 2020 Audit. Mr. Hein described the audit process and stated that at this time, there were no material weaknesses in reporting or process. There were three compliance findings, which were discussed with the Board, as well as the nature of the findings and the remediation that was already underway to address these findings. Board Chairwoman Schostok asked if there were any questions and there were none.

## ***CONSIDERATION AND APPROVAL OF FINANCIAL STATEMENTS (6/30/20)***

Mr. Hein referred Trustees to the Financial Statements from June 30, 2020. Mr. Hein asked if there were any questions, and there were none.

Trustee Attlan moved that the Financial Statements from June 30, 2020 be approved and accepted for filing, as presented, consistent with the recommendation of ISBI's Staff. Board Chairwoman Schostok 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 FOR ACCEPTANCE AND FILING OF RECORD OF VOUCHERS (JULY, AUGUST, SEPTEMBER 2020)***

Mr. Hein referred Committee Members to the Record of Vouchers paid in July, August, and September 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 Mendoza 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 Mendoza. The motion passed unanimously.

### ***ACTUAL VS PROJECTED BUDGET FORECAST AS OF 9/30/20***

Mr. Hein referred Members to the Actual vs. Projected Budget Forecast as of September 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. 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 Agent Contact Report for the second quarter of fiscal year 2021.

Trustee Attlan moved that the Agent Contact Report as presented be approved and accepted for filing as recommended by ISBI Staff. Board Chairwoman Schostok 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**

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

Trustee Attlan moved that the conferences and trainings listed on the December 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. Board Chairwoman Schostok 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.

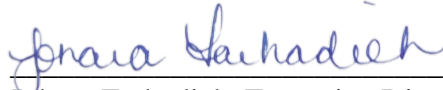
### ***PUBLIC COMMENT***

None.

### ***NEXT MEETING AND ADJOURNMENT***

Board Chairwoman Schostok noted that the next meeting was scheduled for March 18-19, 2021 and Committee Members will be notified of the time at a later date. At 9:31 a.m., there being no further business to come before the Committee, Trustee Attlan moved to adjourn the meeting. Trustee Mendoza seconded, and the meeting was adjourned.

Respectfully submitted,

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

Johara Farhadieh, Executive Director/  
Chief Investment Officer