

MINUTES OF THE
AUDIT & COMPLIANCE COMMITTEE

Wednesday, June 16, 2021 – 1:00 P.M.
Remote Board Meeting
Per Public Act 101-0640

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| Present: | <u>Committee Members</u> | Chairwoman Justice Mary Seminara-Schostok Gisela Attlan Terrence Healy Michael Tarnoff |
| | <u>Board Members</u> | 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 Joe Aguilar KPMG Cathy Baumann Anthony Solano |
| | <u>Members of the Public</u> | Matt McCue, Financial News Julia DeFalco |
| Not Present | <u>Committee Members</u> | Comptroller Susana Mendoza |

ROLL CALL

Board Chairwoman Schostok called the meeting to order at 1:03 p.m. Ms. Hong noted per 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. 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 Healy moved to approve the minutes, as presented, from the March 18, 2021, Audit and Compliance Committee meeting. Trustee Tarnoff seconded, and the motion was called to a roll call vote. All in favor: Board Chairwoman Schostok, Trustee Healy, Trustee Tarnoff. The motion passed unanimously

FISCAL YEAR 2021 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 2021 Audit and the audit plan for the upcoming audit season. KPMG staff also discussed their approach to fraud risk, risk assessments, and other factors relevant to ISBI. Board Chairwoman Schostok asked if there were any questions and there were none.

CONSIDERATION AND APPROVAL OF FINANCIAL STATEMENTS (12/31/20)

Mr. Hein referred Trustees to the Financial Statements from December 31, 2020. Mr. Hein asked if there were any questions, and there were none.

Trustee Tarnoff moved that the Financial Statements from December 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 Atlan, Trustee Healy, Trustee Tarnoff. The motion passed unanimously.

CONSIDERATION FOR ACCEPTANCE AND FILING OF RECORD OF VOUCHERS (JANUARY, FEBRUARY, MARCH 2021)

Mr. Hein referred Committee Members to the Record of Vouchers paid in January, February, and March 2021. Board Chairwoman Justice Schostok asked members of the Committee if there were any questions regarding the Record of Vouchers and there were none.

Trustee Atlan moved that the Record of Vouchers 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 Tarnoff. The motion passed unanimously.

ACTUAL VS PROJECTED BUDGET FORECAST AS OF 3/31/21

Mr. Hein referred Members to the Actual vs. Projected Budget Forecast as of March 31, 2021 in the meeting materials. Mr. Hein stated that expenses were at or below expectations in most categories. Trustee Healy inquired about temporary staffing and Mr. Hein explained the expense category in further detail. 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 fourth quarter of fiscal year 2021.

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

Consideration and Approval of Fiduciary Training Opportunities

Mr. Mehta referred Members to the June 2021 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 Healy moved that the conferences and trainings listed on the June 2021 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 Attlan seconded, and the motion was called to a roll call vote. All in favor: Board Chairwoman Schostok, Trustee Attlan, Trustee Healy, 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 September 28-29, 2021, and Committee Members will be notified of the time at a later date. At 1:27 p.m., there being no further business to come before the Committee, Trustee Attlan moved to adjourn the meeting. Trustee Healy seconded, and the meeting was adjourned.

Respectfully submitted,

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

Johara Farhadieh, Executive Director/
Chief Investment Officer