

MINUTES OF THE
AUDIT & COMPLIANCE COMMITTEE

Friday, December 16, 2022 – 10:25 A.M.
180 N. LaSalle St., Suite 2015
Chicago, IL 60601

Present:	<u>Committee Members</u>	Committee Chairwoman Elizabeth Sanders Gisela Attlan Michael Tarnoff (via audio conference) Justice Debra Walker
	<u>Board Members</u>	Board Chairman Terrence Healy Treasurer Michael Frerichs Senator Robert Martwick Jaye Williams
	<u>Staff</u>	Genette Bacon-Cordova Koula Berlin Mary Cahill Johara Farhadieh Jansen Hein Maryann Hong Jennifer Koelle Dipesh Mehta Nadia Oumata Alex Somolski Atul Talwar
	<u>Guests</u>	Burke Burns & Pinelli, Ltd. Sarah Boeckman (via audio conference) State Employees' Retirement System Tim Blair (via audio conference)
Not Present:	<u>Committee Members</u>	Comptroller Susana Mendoza

ROLL CALL

Committee Chairwoman Sanders called the meeting to order at 10:26 a.m. at the Illinois State Board of Investment office, 180 N. LaSalle St., Suite 2015, Chicago. Mr. Mehta called the roll and noted a quorum was present.

Trustee Walker moved that Trustee Tarnoff be allowed to participate in the meeting via audio conference pursuant to Section 7(a) of the Open Meetings Act. Trustee Attlan seconded, and the motion passed unanimously.

REPORT OF THE AUDIT & COMPLIANCE COMMITTEE CHAIR

Committee Chairwoman Sanders introduced ISBI's new Chief Financial Officer and Chief Operating Officer, Koula Berlin, to trustees. Committee Chairwoman Sanders thanked Mr. Hein for his service to ISBI, stating that he was an asset to the fund and will be missed at ISBI.

CONSIDERATION AND APPROVAL OF MINUTES

Trustee Attlan moved to approve the minutes, as presented, from the September 30, 2022 Audit & Compliance Committee meeting. Trustee Walker seconded, and the motion passed unanimously.

REPORT ON STATUS OF FISCAL YEAR 2022 AUDIT

Mr. Hein informed trustees that the final audit had been submitted to the Office of the Auditor General (OAG) for publication. ISBI received clean opinions with no findings. Mr. Hein informed trustees that the Annual Comprehensive Financial Report will be presented to the committee next quarter. Mr. Hein also informed trustees that KPMG's contract with the OAG is coming to an end, and the OAG will be issuing an RFP for the role. Ms. Berlin will keep trustees updated. There were no questions.

CONSIDERATION AND APPROVAL OF FINANCIAL STATEMENTS (6/30/22)

Mr. Hein referred trustees to the Financial Statements from June 30, 2022. Mr. Hein asked if there were any questions and there were none.

Trustee Walker moved that the Financial Statements from June 30, 2022 be approved and accepted for filing, as presented, consistent with the recommendation of ISBI staff. Trustee Attlan seconded, and the motion passed unanimously.

***CONSIDERATION FOR ACCEPTANCE AND FILING OF RECORD OF VOUCHERS
(JULY, AUGUST, SEPTEMBER 2022)***

Mr. Hein referred trustees to the Record of Vouchers paid in July, August, and September of 2022. Mr. Hein asked if there were any questions and there were none.

Trustee Walker moved that the Record of Vouchers be approved and accepted for filing, as presented, consistent with the recommendation of ISBI staff. Trustee Attlan seconded, and the motion passed unanimously.

ACTUAL VS. PROJECTED BUDGET FORECAST AS OF SEPTEMBER 30, 2022

Mr. Hein referred trustees to the Actual vs. Projected Budget Forecast as of September 30, 2022 in the meeting materials. Mr. Hein stated that ISBI is under budget for the year in all major categories, and provided additional detail. Committee Chairwoman Sanders asked if there were any questions and there were none.

ETHICS MATTERS

Consideration and Approval of Agent Contact Report

Mr. Mehta directed trustees to the Agent Contact Report for the second quarter of Fiscal Year 2023.

Trustee Walker 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 passed unanimously.

Consideration and Approval of Fiduciary Training Opportunities

Mr. Mehta referred trustees to the December 2022 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. Trustee Walker moved that the conferences and trainings listed on the December 2022 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 be reimbursed, consistent with ISBI's policies. Trustee Attlan seconded, and the motion passed unanimously.

NEW BUSINESS/OLD BUSINESS

None.

PUBLIC COMMENT

None.

NEXT MEETING AND ADJOURNMENT

Committee Chairwoman Sanders noted that the next meeting was tentatively scheduled for March 23-24, 2023. At 9:37 a.m., there being no further business to come before the committee, Trustee Walker moved to adjourn the meeting. Trustee Atlan seconded, and the meeting was adjourned.

Respectfully submitted,



Johara Farhadieh, Executive Director/
Chief Investment Officer