

MINUTES OF THE
AUDIT & COMPLIANCE COMMITTEE

Friday, March 22, 2024 – 9:00 A.M.
180 N. LaSalle St., Suite 2015
Chicago, IL 60601

Present: Committee Members Committee Chairwoman Elizabeth Sanders
Justice Debra Walker

Board Members Board Chairman Terrence Healy
Senator Robert Martwick

Staff Genette Bacon-Cordova
Mary Cahill
Michelle Choi
Jennifer Koelle
Kawing Lee
Samantha McHugh
Dipesh Mehta
David Schneider
Dan Sekera
Atul Talwar

Guests Burke Burns & Pinelli, Ltd.
Sarah Boeckman

State Employees' Retirement System
Tim Blair (via audio conference)

Not Present: Committee Members Comptroller Susana Mendoza
Michael Tarnoff

ROLL CALL

Committee Chairwoman Sanders called the meeting to order at 9:03 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 not present. Board Chairman Healy stated that pursuant to the Board Bylaws and for the purposes of establishing a quorum, he would be serving as a member of the Audit & Compliance Committee for this meeting. Mr. Mehta then noted a quorum was present.

REPORT OF THE AUDIT & COMPLIANCE COMMITTEE CHAIR

None.

CONSIDERATION AND APPROVAL OF PREVIOUS MEETING MINUTES

Trustee Walker moved to approve the minutes from the December 15, 2023 Audit & Compliance Committee meeting. Board Chairman Healy seconded, and the motion passed unanimously.

CONSIDERATION AND APPROVAL OF FISCAL YEAR 2023 ANNUAL REPORT AS PRESENTED

Mr. Schneider directed trustees to the presentation materials and described the report. Mr. Schneider noted the report had been approved by the auditors without exception.

Trustee Walker moved that the Fiscal Year 2023 Annual Report be accepted in form, as presented. Board Chairman Healy seconded, and the motion passed unanimously.

REPORT ON STATUS OF FISCAL YEAR 2023 AUDIT

Mr. Schneider provided the update on the fiscal year 2023 audit. He indicated that ISBI staff is working with RSM to finalize the biannual compliance audit. Mr. Schneider noted that the audit has been delayed by the auditors, but he expects to receive any concerns shortly and will put in place appropriate mitigating measures. Mr. Schneider also discussed the cybersecurity audit and potential findings, which ISBI staff has already addressed with additional procedures. Mr. Schneider asked if there were any questions, and there were none.

CONSIDERATION AND APPROVAL OF FINANCIAL STATEMENTS (9/30/23)

Mr. Schneider referred trustees to the Financial Statements from September 30, 2023. Mr. Schneider reviewed the statements, discussing each category. Mr. Schneider also explained that he would be updating a naming convention in accordance with auditor guidance. Finally, Mr. Schneider noted that the update he discussed last quarter with regard to investment purchases

reporting had been executed in this quarter's statement. Trustee Walker inquired into the fund's total net assets, and staff provided the information.

Board Chairman Healy moved that the Financial Statements from September 30, 2023 be approved, consistent with the recommendation of ISBI staff. Trustee Walker seconded, and the motion passed unanimously.

CONSIDERATION FOR ACCEPTANCE AND FILING OF RECORD OF VOUCHERS (OCTOBER, NOVEMBER, DECEMBER 2023)

Mr. Schneider referred trustees to the Record of Vouchers paid in October, November, and December of 2023. Mr. Schneider 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. Board Chairman Healy seconded, and the motion passed unanimously.

ACTUAL VS. PROJECTED BUDGET FORECAST AS OF DECEMBER 31, 2023

Mr. Schneider referred trustees to the Actual vs. Projected Budget Forecast as of December 31, 2023 in the meeting materials. Mr. Schneider stated that ISBI is at or under the approved budget in all major categories and went into detail on several lines. Trustee Sanders inquired further into proxy voting services and Mr. Mehta provided additional detail. Mr. Schneider asked if there were any further 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 third quarter of Fiscal Year 2024.

Trustee Walker moved that the Agent Contact Report, as presented, be approved and accepted for filing, as recommended by ISBI staff. Board Chairman Healy seconded, and the motion passed unanimously.

Consideration and Approval of Fiduciary Training Opportunities

Mr. Mehta referred trustees to the March 2024 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 March 2024 list of Upcoming Training Opportunities 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. Board Chairman Healy seconded, and the motion passed unanimously.

NEW BUSINESS/OLD BUSINESS

None.

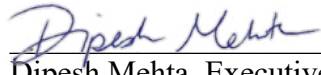
PUBLIC COMMENT

None.

NEXT MEETING AND ADJOURNMENT

Committee Chairwoman Sanders noted that the next meeting was tentatively scheduled for June 27, 2024. At 9:18 a.m., there being no further business to come before the committee, Trustee Walker moved to adjourn the meeting. Board Chairman Healy seconded, and the meeting was adjourned.

Respectfully submitted,

A handwritten signature in blue ink that reads "Dipesh Mehta". The signature is written in a cursive style with a horizontal line underneath it.

Dipesh Mehta, Executive Director/Chief
Investment Officer