

MINUTES OF THE
AUDIT & COMPLIANCE COMMITTEE

Friday, September 20, 2024 – 9:00 A.M.
180 N. LaSalle St., Suite 2015
Chicago, IL 60601

Present: Committee Members Committee Chairwoman Justice Debra Walker
Elizabeth Sanders

Board Members Board Chairman Terrence Healy
Treasurer Michael Frerichs
Matthew Brewer
Senator Robert Martwick (via audio
conference)

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

Guests Burke Burns & Pinelli, Ltd.
Sarah Boeckman

Not Present: Committee Members Comptroller Susana Mendoza
Michael Tarnoff

ROLL CALL

Committee Chairwoman Sanders called the meeting to order at 9:08 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.

Pursuant to the Board Bylaws, Board Chairman Healy nominated Trustee Walker to serve as the Chair of the Audit & Compliance Committee. There were no other nominations. Trustee Sanders moved that Trustee Walker be appointed as Audit & Compliance Committee Chair. Board Chairman Healy seconded, and the motion passed unanimously. Committee Chairwoman Walker served as chair for the remainder of the meeting.

REPORT OF THE AUDIT & COMPLIANCE COMMITTEE CHAIR

None.

CONSIDERATION AND APPROVAL OF PREVIOUS MEETING MINUTES

Board Chairman Healy moved to approve the minutes from the June 27, 2024 Audit & Compliance Committee meeting. Trustee Sanders seconded, and the motion passed unanimously.

UPDATE ON FISCAL YEAR 2024 AUDIT

Mr. Schneider provided the update, stating that RSM would be performing a financial audit. Mr. Schneider noted that the Office of the Auditor General had communicated there would be no separate compliance or cybersecurity audit for ISBI for FY24, in accordance with standard practice. Finally, Mr. Schneider stated that fieldwork would begin in October and that the process has been ahead of schedule compared to prior years. Mr. Schneider asked if there were any questions and there were none.

CONSIDERATION AND APPROVAL OF FINANCIAL STATEMENTS (3/31/24)

Mr. Schneider referred trustees to the Financial Statements from March 31, 2024. Mr. Schneider reviewed the statements and discussed each category in detail. Mr. Schneider asked if there were any questions and there were none.

Trustee Sanders moved that the Financial Statements from March 31, 2024 be approved and accepted for filing, as presented, consistent with the recommendation of ISBI staff. Board Chairman Healy seconded, and the motion passed unanimously.

***CONSIDERATION FOR ACCEPTANCE AND FILING OF RECORD OF VOUCHERS
(APRIL, MAY, JUNE 2024)***

Mr. Schneider referred trustees to the Record of Vouchers paid in April, May, and June of 2024. Mr. Schneider asked if there were any questions and there were none.

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

ACTUAL VS. PROJECTED BUDGET FORECAST AS OF JUNE 30, 2024

Mr. Schneider referred trustees to the Actual vs. Projected Budget Forecast as of June 30, 2024 in the meeting materials. Mr. Schneider stated that ISBI's expenses remain below budget in all major categories. Trustee Sanders provided feedback on the format of the forecast, which Mr. Schneider stated he would incorporate for the following quarter's forecast. Mr. Schneider 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 first quarter of Fiscal Year 2025.

Trustee Sanders 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 September 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.

Board Chairman Healy moved that the conferences and trainings listed on the September 2024 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 Sanders seconded, and the motion passed unanimously.

NEW BUSINESS/OLD BUSINESS

None.

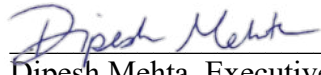
PUBLIC COMMENT

None.

NEXT MEETING AND ADJOURNMENT

Committee Chairwoman Walker noted that the next meeting was tentatively scheduled for December 13, 2024. At 9:20 a.m., there being no further business to come before the committee, Trustee Sanders 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