



TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

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MINUTES Audit Committee December 9, 2020

A virtual meeting of the Audit Committee of the Board of Trustees of the Illinois Teachers' Retirement System was held on December 9, 2020 in accordance with the COVID-19 Executive Order 2020-71, which extends the original Executive Order 2020-07 through December 12, 2020. An in-person meeting is not practical or prudent due to the current global COVID-19 pandemic.

Fred Peronto, Chair, called the meeting to order at 8:30 a.m. A quorum was present. Roll Call attendance was taken with the following committee members present: Fred Peronto, Chair; Maureen Mena, Vice Chair; David Miller, Larry Pfeiffer, and Doug Strand. Other trustees present: Carmen Ayala, Devon Bruce, Marsha Byas, Andy Hirshman, Matt Hunt, and Matt Shattock.

Stan Rupnik, Acting Executive Director/Chief Investment Officer and Cynthia Fain, Sr. Legal Counsel, were physically present at the meeting location in Springfield, 2815 W. Washington Street.

Others present: Stacy Smith, Director of Internal Audit and Risk; Christina Baker, Internal Audit Supervisor; Andy Jones, Sr. IT Internal Auditor; Bob Jiroutek, Risk Officer; Chris Wiedel, Director of Information Technology; Chad Fry, Technical Systems Manager; Carlton Lenoir, Chief Benefits Officer; Deron Bertolo, Chief Financial Officer; Amy Reynolds, Director of Research; Dave Urbanek, Director of Communications; Jeff Bennett, Director of Operations; Rich Frankenfeld, Director of Outreach; Tammy Green, Executive Assistant; Jose Gonzalez, Investment Officer; Bill Thomas, Sr. Investment Officer; Ben Skrodski, Sr. Investment Officer; Dakin Sanert, Investment Officer; Abby Griffith, Investment Accounting Manager; and Tiffany Reeves, Reinhart (Fiduciary Counsel).

Visitors: Christine Williamson, Pensions & Investments; Angela Myers, Loop Capital; and Vicki Mahrt, IEA-Retired.

Minutes

A draft of the October 30, 2020 minutes of the audit committee meeting was sent to committee members for review. A motion was made by Trustee Strand, seconded by Trustee Mena, to approve the minutes as presented. Roll call resulted in affirmative voice votes from Trustees Mena, Miller, Peronto, Pfeiffer, and Strand. Motion Carried.

Internal Audit Report

Christina Baker, Internal Audit Supervisor, provided a summary of the Accelerated Pension Buyout internal audit report. Documentation is on file.

Enterprise Risk Management Committee Report

The TRS enterprise risk management committee provides oversight and disciplined thought about current and potential risks facing TRS and provides a summary risk report to the Board twice a year. The December risk report includes updates on 15 categories since the last report in June. The updated risk assessments include business continuity; communications; cybersecurity; employer services; external relations; facilities management; Gemini; investment compliance; investment portfolio management; legacy system; member services; pension benefit administration; pension politics & funding; records management; and supplemental savings plan. Documentation is on file.

Independence of Internal Audit Activity

Attribute Standard 1110 from the Internal Standards for the Professional Practice of Internal Auditing states that the chief audit executive must confirm to the Board, at least annually, the organizational independence of the internal audit activity. A copy of the annual TRS Auditor Independence Statement is on file for the new internal auditor and the new senior IT auditor. There are no potential conflicts of interest that could preclude them from carrying out the fiscal year audit activities.

ADJOURNMENT

A motion was made by Trustee Strand, seconded by Trustee Mena, to adjourn the meeting at 8:48 a.m. Roll call resulted in affirmative voice votes from Trustees Mena, Miller, Peronto, Pfeiffer, and Strand. Motion Carried.



Stan Rupnik, Acting Executive Director/Chief Investment Officer

Approved: 2/25/21