



## **TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS**

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2815 W. Washington St. | P.O. Box 19253 | Springfield IL 62794-9253  
R. Stanley Rupnik, Executive Director & Chief Investment Officer  
investments@trsil.org | <http://www.trsil.org>  
(217) 814-2001 | TDD: 800-526-0844 (or 711) | FAX: (217) 753-0966

### **MINUTES Audit Committee August 12, 2021**

A meeting of the Audit Committee of the Board of Trustees of the Illinois Teachers' Retirement System was held on August 12, 2021 at the Chicago Marriott Naperville, 1801 N. Naper Boulevard, Naperville, IL. Larry Pfeiffer, Chair, called the meeting to order at 8:37 a.m. Roll Call attendance was taken with the following committee members present: Larry Pfeiffer (Chair), Doug Strand (Vice Chair), Joe Blomquist, Mia Jazo-Harris, and Matt Hunt. A quorum was present.

Others in attendance: Stan Rupnik, Executive Director and Chief Investment Officer; Cynthia Fain, Sr. Legal Counsel; Stacy Smith, Director of Internal Audit and Risk; Deron Bertolo, Chief Financial Officer; Jamie Stults, Director of Human Resources; Chad Fry, Technical Systems Manager; John Boykin, Sr. Technical Support Specialist; Tammy Green, Executive Assistant; Sally Antonacci, Investment Office Manager; and Jessica Culotti, Reinhart (Fiduciary Counsel).

Visitor: Bob Lyons, IRTA-Retired.

#### Minutes

A draft of the June 17, 2021 minutes of Audit Committee meeting was sent to the committee members for review. On a motion by Trustee Hunt, seconded by Trustee Strand, the minutes were approved by unanimous voice vote. Documentation is on file.

#### Internal Audit Report

Stacy Smith, Director of Internal Audit and Risk, provided a summary of the Personnel and Payroll internal audit report. Documentation is on file.

#### Self-Assessment with Independent External Validation Report

Stacy Smith reported on the Self-Assessment with Independent External Validation for the period July 1, 2018 through December 31, 2020. The results of the report show that TRS's internal audit activity generally conforms with the requirements of the Institute of Internal Auditors' *Definition of Internal Auditing, Code of Ethics, and International Standards for the Professional Practice of Internal Auditing (Standards)* effective January 1, 2017. Documentation is on file.

### FY 2021 Audit Completion Report

The Fiscal Control and Internal Auditing Act mandates that each year Internal Audit submit to the TRS Executive Director a report detailing how the audit plan for the past year was carried out, significant findings including management’s response, and the extent to which the audit recommendations were implemented. The committee received the fiscal year 2021 Audit Completion Report. Documentation is on file. All mandatory audits scheduled this fiscal year were completed.

### Independence of Internal Audit Activity

Attribute Standard 1110 from the International 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 an annual TRS Auditor Independence Statement is on file for each Internal Audit staff member. There are no conflicts of interest that could preclude them from carrying out the fiscal year audit activities.

### Internal Audit Standards

Attribute Standard 1010 in the International Standards for the Professional Practice of Internal Auditing (*Standards*) states that the chief audit executive should discuss the Mission of Internal Auditing and the mandatory elements of the International Professional Practice Framework with senior management and the Board. Documentation is on file. The committee received a copy of the following documents:

- Core Principles for the Professional Practice of Internal Auditing
- Definition of Internal Auditing
- Code of Ethics
- The *Standards*

### Quality Assurance and Improvement Program

Attribute Standard 1320 from the International Standards for the Professional Practice of Internal Auditing states that the chief audit executive must communicate the results of the quality assurance and improvement program to senior management and the Board at least annually. The committee received a copy of the fiscal year 2021 quality assurance and improvement program checklist. Documentation is on file. The quality assurance and improvement program is an ongoing and periodic assessment of the entire spectrum of audit and consulting work performed by the internal audit activity.

Minutes – Audit Committee  
August 12, 2021

**ADJOURNMENT**

On a motion by Trustee Strand, seconded by Trustee Blomquist, and by unanimous vote, the meeting adjourned at 8:46 a.m.



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Stan Rupnik, Executive Director and Chief Investment Officer

Approved: 10/28/2021