



TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

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MINUTES

Audit Committee

December 6, 2022

A meeting of the Audit Committee of the Board of Trustees of the Teachers' Retirement System of the State of Illinois was held on December 6, 2022 at NIU Naperville, 1120 E. Diehl Rd., Naperville, IL. Trustee Larry Pfeiffer (Vice Chair) called the meeting to order at 9:30 AM. Roll call attendance was taken with the following Committee members present: Trustee Joe Blomquist, Trustee Mia Jazo-Harris, Trustee Larry Pfeiffer (Vice Chair), and Trustee Doug Strand. Trustee Kevin "Duffy" Blackburn (Chair) was not in attendance. A quorum was present.

Others in attendance: Trustee Beth Anderson; Trustee Carmen Ayala; Trustee Marsha Byas; Trustee Mike Goetz; Trustee Andy Hirshman; Trustee Matt Hunt; Trustee Maureen Mena; Trustee David Miller; Trustee Fred Peronto; Stan Rupnik, Executive Director & CIO; Sally Antonacci, Senior Office Manager; Chelsea Duis, Administrative Specialist; Deron Bertolo, Chief Financial Officer; Gloria Lasley, Chief Operating Officer; Stacy Smith, Director of Internal Audit and Risk; Emily Peterson, General Counsel; Cynthia Fain, Senior Legal Counsel; Lori Dour, Chief Benefits Officer; Jared Shipp, Technical Systems Supervisor; Kyle Thornton, Network Administrator; Katie DellaMaria, Investment Officer – Global Income Strategies; Bob Jiroutek, Senior Risk Officer; Bill Thomas, Senior Investment Officer – Global Equity; Ben Skrodzki, Senior Investment Officer – Global Equity; and Jessica Culotti of Reinhart Boerner Van Deuren (Fiduciary Counsel).

Remote attendees: Dave Urbanek, Director of Communications; Michelle Kissel, Director of Human Resources; Christina Baker, Internal Audit Supervisor; and Kendra Kornack, Senior Internal Auditor.

Visitors: Mary Rothschild, IEA Annuitant.

Public Comment

Mary Rothschild commented generally about the utility of audits of retirement systems.

Minutes

A draft of the October 21, 2022 minutes of the Audit Committee meeting was sent to the committee members for review. On a motion by Trustee Strand, seconded by Trustee Blomquist, the minutes were approved by unanimous voice vote. Documentation is on file.

Approval of Executive Session Minutes

A draft of the October 21, 2022 Executive Session meeting minutes were sent to the trustees for prior review. Documentation is on file. On a motion by Trustee Strand, seconded by Trustee Jazo-Harris, it was resolved to approve the October 21, 2022 Executive Session meeting minutes of the Audit Committee, as presented. Motion carried by unanimous voice vote. Documentation is on file.

Internal Audit Report – Agency Organization & Management

Stacy Smith, Director of Internal Audit & Risk, provided a summary of the Agency Organization & Management internal audit report. Documentation is on file.

Enterprise Risk Committee Report

Stacy Smith, Director of Internal Audit and Risk, presented the Enterprise Risk 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 included updates on 13 categories since the last report in June 2022. The updated risk assessments include Business Continuity, Legacy Information System, Cybersecurity, Member Services, Employer Services, Pension Benefit Administration, Facilities Management, Pension Politics & Funding, Gemini Project, Records Management, Investment Compliance, Supplemental Savings Plan, and Investment Portfolio Management. Documentation is on file. Discussion followed.

Trustee Concerns

Trustees asked Stacy Smith follow up questions about specific risks on her report.

Adjournment

On a motion by Trustee Strand, seconded by Trustee Blomquist, and by unanimous voice vote, the meeting adjourned at 9:47 AM.



Stan Rupnik, Executive Director & Chief Investment Officer

Approved: 02/09/2023