



TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

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R. Stanley Rupnik, Executive Director & Chief Investment Officer

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MINUTES

Audit Committee

February 9, 2023

A meeting of the Audit Committee of the Board of Trustees of the Teachers' Retirement System of the State of Illinois (TRS) was held on February 9, 2023 at the TRS offices, 2815 West Washington Street, Springfield, IL. Trustee Larry Pfeiffer (Vice Chair) called the meeting to order at 8:39 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 Marsha Byas; Trustee Mike Goetz; Trustee Andy Hirshman; Trustee Matt Hunt; 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; Dave Urbanek, Director of Communications; Michelle Kissel, Director of Human Resources; Jared Shipp, Technical Systems Supervisor; Kyle Thornton, Network Administrator; Andy Jones, Senior IT Internal Auditor; Christina Baker, Internal Audit Supervisor; Kendra Kornack, Senior Internal Auditor; Shiloah Tubbs, Deferred Compensation Manager; and Jessica Culotti of Reinhart Boerner Van Deuren (Fiduciary Counsel).

Remote attendees: Jared Hardin of CAPTRUST (TRS SSP consultant).

Visitors: Krish Mohip, Interim State Superintendent of Education; Elston Flowers, IEA Annuitant; and Cyd Paulsen, Annuitant.

Public Comment

Cyd Paulsen, Annuitant, commented on funding status, teacher salaries, and Social Security.

Minutes

A draft of the December 6, 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.

Fed Line Assessment

Andy Jones, Senior IT Internal Auditor, presented the FedLine Assessment. Documentation is on file. The annual assessment is required by the Federal Reserve Bank, in response to the evolving security threat landscape. TRS uses FedLine Web to submit investment allocation information to the Federal Reserve Bank. The assessment reviews TRS’s internal controls and security requirements.

Financial Statement Audit Report

Deron Bertolo, Chief Financial Officer, reported that the Office of the Auditor General released the TRS financial audit for fiscal year ended June 30, 2022. Documentation is on file. The financial audit was conducted by FORVIS, LLP. There were no findings reported under Government Auditing Standards. The Comprehensive Annual Financial Report is posted on the TRS website, www.trsil.org.

Internal Audit Report – Investment Compliance Audit Report

Christina Baker, Internal Audit Supervisor, provided a summary of the Investment Compliance internal audit report. Documentation is on file.

Request for Audit Committee Input for the FY24 – FY25 Audit Plan

Stacy Smith, Director of Internal Audit and Risk, asked for input from the Trustees for the FY24-FY25 audit plan.

Trustee Concerns

None

Adjournment

On a motion by Trustee Strand, seconded by Trustee Jazo-Harris, and by unanimous voice vote, the meeting adjourned at 8:56 AM.



Stan Rupnik, Executive Director & Chief Investment Officer

Approved: June 8, 2023