

MINUTES OF THE AUDIT & COMPLIANCE COMMITTEE MEETING  
January 11, 2022

Members Present:

Barbara J.C. Baird, SERS Trustee (via video conference)  
Marvin Becker, Comptroller Designee (via video conference)

Others in attendance:

Tim Blair, Executive Secretary  
Casey Evans, Chief Internal Auditor (CIA)

A meeting of the Audit and Compliance Committee of the State Employees' Retirement System of Illinois was held on Tuesday, January 11, 2022, at 9:00 a.m. in the System's Springfield office located at 2101 South Veterans Parkway. To protect the health of staff, trustees, and members of the public during the COVID-19 pandemic, this meeting was held electronically from the SERS administrative office in Springfield, as allowed under Section 7 of the Open Meetings Act (5 ILCS 120/7).

The meeting was called to order at 9:00 a.m. with a quorum being established to conduct business. Chief Internal Auditor, Casey Evans, asked if there were any members of the public present that wished to address the Committee. There were no members of the public present, and no public comments were submitted prior to the meeting. CIA Evans referred the Committee to the October 26, 2021, meeting minutes previously provided. The meeting minutes were reviewed. Trustee Baird made a motion to approve the meeting minutes, seconded by Mr. Becker. The minutes were approved.

Trustee Baird made a motion to enter a closed session to discuss potential internal control weaknesses or potential fraud risks as allowed by Section 2(c)(29) of the Illinois Open Meetings Act. The motion was seconded by Mr. Becker. The Committee entered a closed session at 9:05 a.m.

A motion was made by Mr. Becker and seconded by Trustee Baird to resume the open meeting of the Audit Committee. The meeting was resumed at 9:42 a.m. The Committee discussed the SERS Census Data Reconciliation that each agency or department participating in SERS is undergoing. Currently, 22% of the active membership has been reconciled. It was explained that the percentage of members reconciled will increase considerably as the largest State Departments such as the Department of Human Services, Department of Corrections, Illinois Secretary of State, and Department of Transportation complete their work. Each of these larger agencies are engaged in the reconciliation and it anticipated that each should complete their reconciliation in the Spring of 2022.

The Committee discussed improvements made at the retirement system including supplemental user security awareness trainings and simulated phishing tests provided by through a vendor. Results of the recent tests were discussed by the Committee. CIA Evans noted that work continues to be performed on the Quality Assurance Review which is a priority during fiscal year 2022.

CIA Evans explained that the retirement system held interviews during November 2021 to fill the staff internal auditor vacancy. An offer was made to one candidate, which accepted another employment offer. Currently, this position remains vacant. The Committee discussed the need to hire additional audit staff with the possibility of adding two staff auditors in the future. It was noted that the prior internal audit staff had accepted promotions to higher titles at other State agencies, and that adding promotional titles may help in retaining internal audit staff.

There being no further old or new business brought before the Committee, Trustee Baird made a motion to adjourn the meeting, seconded by Mr. Becker. The meeting was adjourned at 9:57 a.m. ahead of the full Board of Trustees meeting.