



## MINUTES

**Meeting of the Audit & Risk Committee  
of the Board of Trustees of the  
State Universities Retirement System  
Friday, March 12, 2021, 11:10 a.m.  
State Universities Retirement System  
Via remote access only due to COVID-19 statewide restrictions**

The meeting of the Audit & Risk Committee of the Board of Trustees of the State Universities Retirement System convened on March 12, 2021, at 11:10 a.m. via zoom (video conference) based on the Executive Order that temporarily amended the Open Meetings Act to allow public meetings to be conducted via phone or video conference.

The following trustees were present: Trustee Scott Hendrie, chair; Trustee John Atkinson; Trustee Richard Figueroa; Trustee Jamie-Clare Flaherty; Trustee Fred Giertz; Trustee John Lyons; Trustee Steven Rock; Trustee Collin Van Meter; Trustee Antonio Vasquez; and Trustee Mitchel Vogel.

Others present: Suzanne Mayer, Interim Executive Director and Interim Secretary; Ms. Tara Myers, Chief Financial Officer; Ms. Bianca Green, General Counsel; Mr. Doug Wesley, Chief Investment Officer (CIO); Ms. Ellen Hung, Deputy CIO; Mr. Joe Duncan and Mr. Shane Willoughby, Sr. Investment Officers; Mr. Alex Ramos and Mr. Brian DeLorica, Investment Officers; Ms. Kelly Valle and Mr. Akshay Patel, Investment Analysts; Ms. Tracy Bennett, Compliance Analyst; Ms. Heather Kimmons, Associate General Counsel; Mr. Albert Lee, Associate General Counsel; Ms. Anna Dempsey, Investment Counsel; Mr. Jefferey Saiger, Chief Technology Officer; Ms. Jackie Hohn, Chief Internal Auditor; Ms. Brenda Dunn, Chief Human Resources Officer; Ms. Kristen Houch, Director of Legislative and Stakeholder Relations; Ms. Kelly Carson, Ms. Chelsea McCarty and Ms. Annette Ackerman, Executive Assistants; Mr. Michael Calabrese, Mr. Mike Pontrelli and Ms. Morgan McDonald of Foley; and Ms. Linda Brookhart of SUAA.

Audit & Risk Committee roll call attendance was taken: Trustee Giertz, present; Trustee Hendrie, present; Trustee Rock, present; and Trustee Vasquez, present.

## APPROVAL OF MINUTES

Trustee Hendrie presented the minutes from the Audit & Risk Committee meeting of December 4, 2020.

Trustee Vasquez made the following motion:

- That the minutes from the December 4, 2020 Audit & Risk Committee meeting be approved as presented.

Trustee Rock seconded and was followed by a roll call vote.

Trustee Giertz	-	aye
Trustee Hendrie	-	aye
Trustee Rock	-	aye
Trustee Vasquez	-	aye

### **CHAIRPERSON'S REPORT**

Trustee Hendrie spoke about his conversation with Ms. Jackie Hohn regarding a prior compliance finding that will be discussed later in the meeting.

### **INTERNAL AUDIT**

#### **Employer Audit update**

Ms. Jackie Hohn presented the employer audit updates noting that SURS is currently working with Sikich who will focus on verifying that all the employer census data is reviewed for completeness and accuracy. Ms. Hohn explained how the process for the employer audit works during the pandemic and informed the board that the audit is still an ongoing process which will include six universities that should be complete by Sikich and presented to SURS by June 2021.

#### **Audit Buyout**

Ms. Jackie Hohn explained how the buyout audit was completed in the last year. Ms. Hohn added that the buyout audit is new to SURS. She provided further information on how the buyout audit is conducted and noted that they did not identify any errors. She reported there was one finding and further explained the details of this finding to the board and stated that it was immediately fixed.

### **EXTERNAL AUDIT UPDATE**

#### **FY 2020 Compliance Audit Report Digest & Summary**

Ms. Hohn provided the SURS compliance audit report for the year ended June 30, 2020, performed by BKD as Special Assistant Auditors for the state Auditor General. Ms. Hohn reviewed various sections of the compliance report and explained the objectives of the compliance review. She informed the board there was one finding regarding the SURS employee definition rule, explained the details of the finding and what the plan is for correcting the finding.

#### **FY2020 Financial Report Digest & Opinion**

Ms. Hohn reviewed the Financial Audit Report for the year ended June 30, 2020. No findings were included in this report. She explained to the board, how the report on the financial statements was completed and concluded that it had a clean opinion.

**FY 2020 Report on Allocation of Pension Amount**

Ms. Hohn discussed the FY 2020 OAG audit report on the pension allocation schedules provided by BKD for the year ended June 30, 2020. This report and related schedules show the pension liability totals. The auditor opinion provided was that all the schedules referred to were presented fairly in all material respects, the employer allocations for the year ended June 30, 2020, are in accordance with the accounting principles generally accepted in the United States.

**Required AU-C 260 Communications to the Board**

Ms. Hohn reviewed the Required AU-C 260 Communications Report prepared by BKD that summarizes communications with the board. Generally Accepted Auditing Standards require this letter to the board to ensure there are two-way communications between the board and auditors and to give the auditors an opportunity to comment on any problems noted during the audit. Ms. Hohn advised the board to review the information provided for the audit performed and concluded that there were no matters reported.

**INFORMATIONAL ITEMS NOT REQUIRING COMMITTEE ACTION**

Ms. Hohn guided trustees to the back of their materials which provide information regarding the Quality Assurance & Improvement Program CY20, Internal Audit Recommendation Tracking Worksheet and Death Match Report.

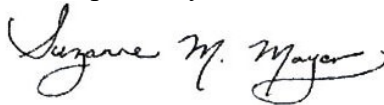
**PUBLIC COMMENT**

There were no public comments presented to the Audit & Risk Committee.

There was no further business brought before the committee and Trustee Vasquez moved that the meeting be adjourned. The motion was seconded by Trustee Rock and carried with all trustees present voting in favor.

Trustee Giertz	-	aye
Trustee Hendrie	-	aye
Trustee Rock	-	aye
Trustee Vasquez	-	aye

Respectfully submitted,



Ms. Suzanne M. Mayer  
Interim Secretary, Board of Trustees