



Chicago Teachers' Pension Fund



FINANCE & AUDIT COMMITTEE MINUTES

Date: February 28, 2023

Submitted by: Ms. Mary Sharon Reilly, Chairperson

Meeting Time: 1:00 p.m.—2:45 p.m.

ATTENDEES

TRUSTEES	STAFF	Consultant Board Counsel (Ottosen Law)
Ms. Mary Sharon Reilly, Chairperson	Mr. Carlton W. Lenoir, Sr., Executive Director	Ms. Carolyn Clifford
Mr. Victor Ochoa, Committee member	Mr. Daniel J. Hurtado, Chief Legal Officer	Mr. Joseph Miller
Ms. Jacquelyn Price Ward, Committee member	Ms. Alise White, Chief Financial Officer	
Mr. Quentin S. Washington, Committee member	Ms. Becky Gonzales, Deputy General Counsel	
Mr. Philip Weiss, Committee member	Ms. Eden Mebrate, Employer Services Supervisor	
Mr. Jeffery Blackwell	Ms. Renita Watts, Supervisor of Employer Audit	
Ms. Tammie Vinson		
Ms. Maria J. Rodriguez		

AGENDA ITEMS

- Employer Reporting and Status Update
 - Employer Reporting and Audit Status Update
 - Charter School Payroll Audit Status
 - Employer Payroll Delinquencies and Payroll Audit Adjustments (written report)
- CPS and Charter School Payroll Audit Status
 - CPS Payroll Audit Status
 - Board Action Request—YCCS Jane Adams
 - Board Action Request—YCCS Austin Career Academy
 - Board Action Request—YCCS Virtual
- Internal Audit Charter Update
- Financial Report
 - Administrative and Investment Expense Report
 - Cash Flow
- Executive Session
 - Litigation Matters (Section 2(c)(11) of the Open Meetings Act)

- Approval of Settlement Agreement with Charter School
- Authorization of Settlement Authority to Executive Director for Court-Ordered Settlement Conference in Charter School Matter

DISCUSSIONS/ACTIONS

Finance & Audit Committee Meeting Audio/Video Conferencing during COVID-19

Acting Chairperson Weiss stated that due to the COVID-19 pandemic and pursuant to Public Act 101-0640, which amended the Open Meetings Act to allow for remote meetings when certain conditions are met, CTPF is holding this meeting by audio-video conference.

Roll Call

Committee Members Present: Mr. Victor Ochoa, Ms. Mary Sharon Reilly, Mr. Quentin S. Washington, Mr. Philip Weiss—4

Trustees Present: Mr. Jeffery Blackwell, Ms. Tammie Vinson, Ms. Maria J. Rodriguez—3

Ms. Price Ward subsequently joined the meeting during the employer reporting and audit status update.

Employer Reporting and Audit Status Update

Ms. Eden Mebrate, Employer Services Supervisor, updated the Committee on employer reporting and audit status. Ms. Mebrate reported that CPS has been submitting payroll files on a timely basis. She reviewed the CPS and Charter schools' exception status report as of January 30, 2023.

Ms. Renita Watts, Supervisor of Employer Audit, gave updates on audits being conducted on active and closed schools. She reviewed the charter school payroll audit status. Ms. Mebrate and Ms. Watts addressed questions raised by the Committee.

CPS and Charter School Payroll Audit Status

CPS Payroll Audit Status

Ms. Watts gave an update regarding the CPS payroll audit status. Ms. Watts addressed questions raised by the Committee.

Board Action Request – YCCS Jane Adams

Ms. Watts reviewed the Board Action Request regarding the YCCS Jane Adams audit. She stated that staff recommends that the Board instruct the Executive Director to issue the audit report to Chicago Public Schools Office of Innovation and Incubation. She stated that staff requests authorization to make in-house adjustments to wage reporting as described in the audit report.

Motion to Accept Staff Recommendation to Issue the YCCS Jane Adams Audit Report, Approved

Mr. Weiss made a motion, seconded by Mr. Ochoa, to accept staff's recommendation to issue the audit report for YCCS Jane Adams. and request that the school make the adjustments to contributions as described in the audit report.

The motion passed by the following roll call vote:

Ayes: Mr. Ochoa, Ms. Reilly, Mr. Washington, Mr. Weiss—4

Board Action Request – YCCS Austin Career Academy

Ms. Watts reviewed the Board Action Requests regarding YCCS Austin Career Academy. She stated that staff recommends that the Board instruct the Executive Director to issue the audit report to YCCS Austin Career Education Center and request that the school make the adjustments to wage reporting as described in the audit report.

Motion to Accept Staff Recommendation to Issue the YCCS Austin Career Education Center Audit Report, Approved

Mr. Weiss made a motion, seconded by Mr. Washington, to accept staff's recommendation to issue the audit report for Austin Career Education Center and request that the school make the adjustments to wage reporting as described in the audit report.

The motion passed by the following roll call vote:

Ayes: Mr. Ochoa, Ms. Reilly, Mr. Washington, Mr. Weiss—4

Board Action Request – YCCS Virtual H.S.

Ms. Watts reviewed the Board Action Requests regarding YCCS Virtual H.S. Staff recommends that the Board instruct the Executive Director to issue the audit report to YCCS Virtual HS and request that the school make the adjustments to wage reporting as described in the audit report.

Motion to Accept Staff Recommendation to Issue the YCCS Virtual Audit Report, Approved

Ms. Reilly made a motion, seconded by Mr. Weiss, to accept staff's recommendation to issue the audit reports for YCCS Virtual HS and request that the school make the adjustments to wage reporting as described in the audit report.

The motion passed by the following roll call vote:

Ayes: Mr. Ochoa, Ms. Reilly, Mr. Washington, Mr. Weiss—4

Internal Audit Charter Update

Mr. Sean Hickey, Director of Internal Audit, reviewed the proposed internal audit charter. Mr. Hickey stated that an internal audit charter is a formal document describing the primary purpose of an internal

audit, its rights, obligations, reporting line, authority, and code of ethics that an internal auditor should have. He stated that the document will help other departments, executive officers, and the Board of Trustees understand what internal audit activities are and help the internal auditors themselves to know their scope, rights, responsibilities, and reporting line. Mr. Hickey recommends that the Committee adopt the internal audit charter. Mr. Hickey addressed questions raised by the Committee.

Motion to Recommend to the Full Board to Adopt the Internal Audit Charter, Approved

Ms. Reilly made a motion, seconded by Ms. Price Ward, to recommend that the full Board adopt the internal audit charter.

The motion passed unanimously by the following roll call vote

Ayes: Mr. Ochoa, Ms. Price Ward, Ms. Reilly, Mr. Washington, Mr. Weiss—5

Financial Report

Ms. Alise White, Chief Financial Officer, reviewed budget spending as of January 2023. Ms. White addressed questions raised by the Committee.

Ms. White reviewed the cash flow report which reflects the actual spending of the Fund on a month-by-month basis. Ms. White addressed questions raised by the Committee.

Executive Session

Motion to go into Executive Session, Approved

Ms. Reilly made a motion, seconded by Ms. Price Ward, to move into Executive Session for the purpose of discussing litigation matters (Section 2(c)(11) of the Open Meetings Act).

The motion passed unanimously by the following roll call vote:

Ayes: Mr. Ochoa, Ms. Price Ward, Ms. Reilly, Mr. Washington, Mr. Weiss—5

The Executive Session lasted from 2:03 p.m. to 2:35 p.m.

Motion to go into Open Session, Approved

Ms. Reilly made a motion, seconded by Ms. Price Ward, to go into Open Session.

The motion passed unanimously by the following roll call vote:

Ayes: Mr. Ochoa, Ms. Price Ward, Ms. Reilly, Mr. Washington, Mr. Weiss—4

Roll Call

Committee Members Present: Mr. Victor Ochoa, Ms. Jacquelyn Price Ward, Mr. Quentin S. Washington, Mr. Philip Weiss—4

Trustees Present: Mr. Jeffery Blackwell, Ms. Tammie Vinson, Ms. Maria Rodriguez —3

Ms. Reilly subsequently joined the meeting after roll call.

**Authorization of Settlement Authority to Executive Director for Court-Ordered Settlement Conference
in Charter School Matter, Approved**

Ms. Price Ward made a motion, seconded by Ms. Reilly, recommended that the Finance and Audit Committee appoint the Executive Director, Carlton W. Lenoir Sr. to represent the Fund in the May 20, 2023, court-ordered settlement conference in charter school matter CTPF vs. Urban Prep Academy litigation with authority to settle the matter for an amount to be determined at the March 16, 2023, Board meeting.

The motion passed unanimously by the following roll call vote:

Ayes: Mr. Ochoa, Ms. Price Ward, Ms. Reilly, Mr. Washington, Mr. Weiss—5

Approval of Settlement Agreement with Charter School, Approved

Ms. Reilly made a motion, seconded by Ms. Price Ward, recommending that the Finance and Audit Committee approve the settlement agreement between the Chicago Teachers' Pension Fund and the Academy of Global Academy Citizenship.

The motion passed unanimously by the following roll call vote:

Mr. Ochoa, Ms. Price Ward, Ms. Reilly, Mr. Washington, Mr. Weiss—5

Adjournment

Ms. Reilly made a motion, seconded by Ms. Price Ward, to adjourn the meeting.

The motion passed unanimously by the following roll call vote:

Ayes: Mr. Ochoa, Ms. Price Ward, Ms. Reilly, Mr. Washington, Mr. Weiss—5

The meeting adjourned at 2:45 p.m.