

MINUTES OF THE  
MEETING  
OF THE  
AUDIT & COMPLIANCE COMMITTEE  
FRIDAY, SEPTEMBER 27, 2013– 8:45 A.M.

Present:        Committee Members                    Michele Bush  
   Judy Baar Topinka  
   Steven Powell  
   Mary Seminara-Schostok

Board Members                                    Roderick Bashir  
   Devon Bruce  
   John Casey

Staff    Andrew Armonaitis  
   William Atwood  
   Johara El-Harazin  
   Tim Kominiarek  
   Scott Richards  
   Linsey Schoemehl  
   Lorna Scott  
   Alise White

Guests    Marquette Associates  
   Brian Wrubel, Dave Smith, Kelli Schrade  
   Deloitte  
   Adam Regelbrugge, Michael Chung, Michael Quilatan  
   (via telephone)

Absent:        Committee Member                                James Clayborne

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**ROLL CALL**

Chairman Bush called the meeting to order at 8:45 a.m. The Secretary called the roll and noted that a quorum was present.

**MINUTES OF PREVIOUS MEETING**

Comptroller Topinka moved to approve the minutes of the Audit & Compliance Committee meeting held June 21, 2013, in the form previously submitted. Mr. Powell seconded and the motion passed unanimously.

**REPORT OF THE A&CC CHAIR**

Chairman Bush provided an overview of the risk assessment, as performed by Deloitte, and introduced the Deloitte representatives.

**RISK ASSESSMENT PRESENTATION: DELOITTE**

Messrs. Regelbrugge, Chung and Quilatan, Deloitte, were invited to join the meeting to present the outcome of the Board's internal risk assessment. Following review and answering questions posed by the Members, the Deloitte representatives thanked the Members for their time and excused themselves from the meeting. (Official minutes contain attachment.)

Director Atwood and Ms. White referred Members to the Succession Planning Policy, in the form previously distributed, and discussed. (Official minutes contain attachment.) Chairman Bush proposed changing the prior notice period for advance leave by the Executive Director to six months. Following review, Mr. Powell moved to approve the Succession Planning Policy, with the addition of the prior notice period change for the advance leave by the Executive Director (six months notice). Comptroller Topinka seconded and the motion passed unanimously.

Director Atwood referred Members to the revised position description for the Board's Deputy Executive Director, in the form previously distributed, and discussed. (Official minutes contain attachment.) Following review, Mr. Powell moved to approve the revised position description for the Board's Deputy Executive Director. Comptroller Topinka seconded and the motion passed unanimously.

Mr. Armonaitis referred Members to the Password Policy, in the form previously distributed, and discussed. (Official minutes contain attachment.) Following review, Mr. Powell moved to approve the Password Policy. Comptroller Topinka seconded and the motion passed unanimously.

Mr. Armonaitis referred Members to the Software Policy, in the form previously distributed, and discussed. (Official minutes contain attachment.) Following review, Mr. Powell moved to approve the Software Policy. Justice Schostok seconded and the motion passed unanimously.

**DEFERRED COMPENSATION AUDIT (12/31/12)**

Ms. White referred Members to the Deferred Compensation Audit (12/31/12) in the form previously distributed, and reviewed. (Official minutes contain attachment.) Mr. Bruce requested that going forward, language be added to the any auditor letter, stating that the auditors have reviewed the same materials as the Board and have reached the same conclusions.

**STAFF PERSONAL TRANSACTION REPORTS**

Ms. Schoemehl reported that there were no exceptions to report to the Staff's Monthly Personal Interest Statements for the quarter ending June 2013.

**COMMISSION RECAPTURE REPORT**

Ms. El-Harazin stated that the Commission Recapture Report for the quarter ending June 2013 had previously been distributed. (Official minutes contain attachment.)

**RECORD OF VOUCHERS**

Chairman Bush stated that the Records of Vouchers for the months June, July, August, 2013 were previously distributed. (Official minutes contain attachments.)

**ETHICS MATTERS**

Placement Agent Contact Report

Ms. Schoemehl referred Members to the memorandum "Placement Agent Contact Report Q1 FY 2014" dated September 4, 2013, and reviewed. (Official minutes contain attachment.) Mr. Powell moved to accept the report. Comptroller Topinka seconded and the motion passed unanimously.

Ex Parte Communication Disclosure

Ms. Schoemehl referred Members to the memorandum "Ex Parte Communication Disclosure" dated July 1, 2013, and reviewed. (Official minutes contain attachment.)

Third Party Travel Reimbursement

Ms. Schoemehl referred Members to the memorandum "Third Party Travel Reimbursement" dated August 26, 2013, and reviewed. (Official minutes contain attachment.) Mr. Powell moved to approve the third party travel reimbursement for Director Atwood. Justice Schostok seconded and the motion passed unanimously.

Board Member Timesheets

Chairman Bush reminded the appointed Members to review and submit their quarterly timesheets.

**COMPLIANCE MATTERS: PROPOSED REVISIONS TO ADMINISTRATIVE RULES**

Ms. Schoemehl referred Members to the memorandum "Rules and Regulations of the Board" dated September 5, 2013, and reviewed. (Official minutes contain attachment.) Mr. Powell moved to approve the proposed amendments to 74 Ill. Adm. Code 800 and grant Staff discretion to make further non-material changes during the rulemaking process. Justice Schostok seconded and the motion passed unanimously.

**UNFINISHED BUSINESS**

None.

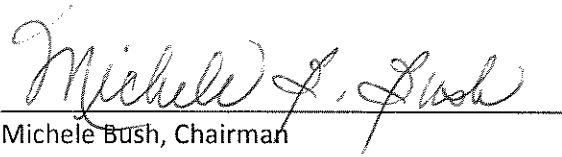
**NEW BUSINESS**

None.

**NEXT MEETING AND ADJOURNMENT**

Chairman Bush stated that the next meeting of the Audit & Compliance Committee was scheduled to be held Friday, December 13, 2012 at 9:00 a.m. At 9:30 a.m., there being no further business to come before the Committee, Mr. Powell moved to adjourn. Comptroller Topinka seconded and the meeting was adjourned.

Respectfully submitted,

A handwritten signature in cursive script, reading "Michele L. Bush", is written over a horizontal line.

Michele Bush, Chairman  
Audit & Compliance Committee