

MINUTES OF THE
MEETING
OF THE
AUDIT & COMPLIANCE COMMITTEE
FRIDAY, JUNE 27, 2014– 9:00 A.M.

Present:

Committee Members

Michele Bush
Judy Baar Topinka
James Clayborne
Mary Seminara-Schostok

Board Members

Roderick Bashir
Devon Bruce
John Casey

Staff

Andrew Armonaitis
William Atwood
Genette Bacon
Johara Farhadieh
Tim Kominiarek
Scott Richards
Linsey Schoemehl
Alise White (via telephone)

Guests

Marquette Associates
Brian Wrubel, Dave Smith

Absent:

Committee Member

Steve Powell

ROLL CALL

Chairman Bush called the meeting to order at 9:00 a.m. The Secretary called the roll and noted that a quorum was present.

MINUTES OF PREVIOUS MEETING

Senator Clayborne moved to approve the minutes of the Audit & Compliance Committee meetings held December 17, 2014 and March 21, 2014 in the forms previously distributed. Justice Schostok seconded and the motion passed unanimously.

REPORT OF THE A&CC CHAIR

Chairman Bush stated she had nothing to report.

UPDATE ON FY 2014 AUDIT

Ms. White updated Members regarding the FY 2014 audit, currently underway, and conveyed that there were no material findings to report.

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 March 2014.

COMMISSION RECAPTURE REPORT

Chairman Bush referred Members to the Commission Recapture Reports for 12/31/13 and 03/31/14, as previously distributed. (Official minutes contain attachments.) Senator Clayborne moved to approve the Commission Recapture Reports as previously distributed. Justice Schostok seconded and the motion passed unanimously.

RECORD OF VOUCHERS

Chairman Bush stated that the Records of Vouchers for the months January, February, and March 2014 were previously distributed. (Official minutes contain attachments.) Senator Clayborne moved to approve the Record of Vouchers as previously distributed. Justice Schostok seconded and the motion passed unanimously.

REPORT ON INFRASTRUCTURE SEARCH

Ms. Schoemehl referred Members to the memorandum "Infrastructure Search Process" and reported that similar memoranda will be presented to the Committee going forward in order to ensure compliance with the Board's procurement process. (Official minutes contain attachments.)

DISCUSSION OF COMPLIANCE WITH LIMITED PARTNERSHIP AGREEMENTS

Director Atwood summarized Franklin Park's presentation regarding private equity fee offsets, which was made at the Investment Policy Committee the previous afternoon, and notified Members that requests for disclosure regarding this issue were submitted to the 25 largest General Partners in the Board's private equity portfolio. As such, discussion ensued over the possibility of retaining an auditing firm to review the matter. Director Atwood will apprise the Committee following review of the disclosures.

ETHICS MATTERS

Placement Agent Contact Report

Ms. Schoemehl referred Members to the memoranda "Placement Agent Contact Report Q3 2014 and Placement Agent Contact Report Q4 FY 2014" dated February 28, 2014 and June 11, 2014 respectfully, and reviewed. (Official minutes contain attachments.) Justice Schostok moved to accept the reports. Senator Clayborne seconded and the motion passed unanimously.

Board Member Timesheets

Chairman Bush reminded the appointed Members to review and submit their quarterly timesheets and reminded appointed Members that annual ethics training was to be completed by June 30, 2014.

Fiduciary Training Compliance

Ms. Schoemehl referred Members to the memorandum "FY 2014 Board Fiduciary Training Summary and Certification Reminder" and reviewed. (Official minutes contain attachments.)

UNFINISHED BUSINESS

None.

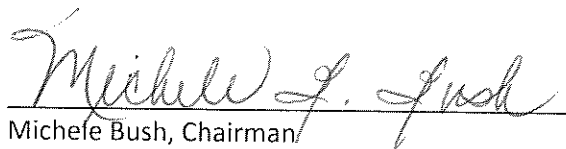
NEW BUSINESS

None.

NEXT MEETING AND ADJOURNMENT

Chairman Bush stated that the next meeting of the Audit & Compliance Committee was scheduled to be held on September 26, 2014 at 9:00 a.m. in Chicago. At 9:30 a.m., there being no further business to come before the Committee, Justice Schostok moved to adjourn. Senator Clayborne seconded and the meeting was adjourned.

Respectfully submitted,

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

Michele Bush, Chairman
Audit & Compliance Committee

