

MINUTES OF THE  
MEETING  
OF THE  
AUDIT & COMPLIANCE COMMITTEE

Wednesday, June 14, 2017 – 3:50 P.M.  
50 S. LaSalle Street, 9<sup>th</sup> Floor  
Chicago, IL 60603

Present:

Committee Members

Mary Seminara-Schostok  
Marc Levine  
Ezequiel Flores  
Shari Greco Reiches  
Stacey Woehrle

---

Board Members

Senator James Clayborne  
Katherine Hennessy

Staff

William Atwood  
Genette Bacon  
Christopher Brannan  
Shawn Evans  
Mitchell Green  
Johara Farhadieh  
James Karls  
Scott Richards  
David Zaloga

Guests

Burke Burns & Pinelli, Ltd.  
Mary Pat Burns

Office of the State Comptroller  
Chasse Rehwinkel

KPMG  
Cathy Bauman  
Anthony Solano

Meketa Investment Group  
Alli Wallace

MXO Tech.  
Brandon Cabrera

### ***ROLL CALL***

Committee Chairwoman Schostok called the meeting to order at 3:03 p.m. Mr. Brannan called the roll and noted that a quorum was present.

### ***MINUTES OF PREVIOUS MEETING***

Trustee Flores moved to approve the minutes from the December 15, 2016 and the March 3, 2017 meetings as presented. Board Chairman Levine seconded and the motion passed unanimously.

### ***REPORT OF THE EXECUTIVE DIRECTOR***

Mr. Atwood discussed the status of the FY 2017 Audit. Mr. Atwood discussed the entrance meeting conducted with Staff and ISBI's external auditors (KPMG), and a representative from the Auditor General's office. Mr. Atwood discussed the general approach to the FY2017 audit.

### ***PRESENTATION BY KPMG***

Representatives from KPMG, Mr. Solano and Ms. Baumann (collectively, "KPMG Representatives"), were asked to join the meeting and referred the Committee to the presentation materials. KPMG representatives discussed the general audit plan for the upcoming months, including schedule, team, and general approach and methodology, including the delineation of duties between the Audit and Compliance Committee, ISBI Staff, and KPMG. Trustee Reiches inquired about the previous fiscal year's audit finding. Following their presentation and additional questions from Members, the KPMG representatives thanked the Committee for its time and left the meeting.

### ***CONSIDERATION FOR ACCEPTANCE AND FILING OF RECORD OF VOUCHERS***

Mr. Atwood referred members to their board materials, including the Record of Vouchers paid in January, February, and March of this year.

Trustee Reiches moved to accept and approve for filing the Record of Vouchers as presented. Trustee Woehrle seconded and the motion passed unanimously.

### ***ETHICS MATTERS***

#### **Placement Agent Contact Report**

Mr. Brannan referred Members to the memorandum, "Placement Agent Contact Report Q4 FY2017." Mr. Brannan provided background for new trustees on Illinois law as it relates to placement agents.

Trustee Reiches moved to accept and approve for filing the Placement Agent Contact Report Q4 FY2017 as presented. Trustee Flores seconded and the motion passed unanimously.

#### **Update re FY17 Fiduciary Training Opportunities and Reminder of Board Member Timesheets**

Mr. Brannan discussed fiduciary training opportunities for the 2018 fiscal year. In addition, Mr. Brannan discussed upcoming ethics compliance requirements for Board members to complete.

### ***NEW/OLD BUSINESS***

None.

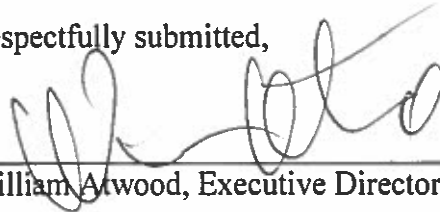
***PUBLIC COMMENT***

None.

***NEXT MEETING AND ADJOURNMENT***

Chairwoman Schostok noted that Committee members will be notified of time and date of the next meeting. At 3:44 p.m., there being no further business to come before the Committee, Trustee Reiches moved to adjourn the meeting. Trustee Woehrle seconded and the meeting was adjourned.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'William Atwood', written over a horizontal line.

William Atwood, Executive Director