

**MINUTES OF THE  
AUDIT & COMPLIANCE COMMITTEE**

Tuesday, December 11, 2018 - 11:00 a.m.  
180 N. LaSalle St., Suite 2015  
Chicago, IL 60601

**Present:**

**Committee Members**

Chairwoman Justice Mary Seminara-  
Schostok (via Telephone)  
Ezequiel Flores  
Board Chairman Marc Levine  
Shari Greco Reiches  
Stacey Woehrle

**Board Members**

Senator James Clayborne  
Katherine Hennessy

**Staff**

Genette Bacon-Cordova  
Shawn Evans  
Johara Farhadieh  
Mitchell Green  
James Karls  
Dipesh Mehta  
Scott Richards  
Atul Talwar  
David Zaloga

**Guests**

Burke Burns & Pinelli, Ltd.  
Sarah Boeckman

Illinois State Comptroller's Office  
Chasse Rehwinkel  
Kathleen Stralka

Meketa Investment Group, Inc.  
Ghiane Jones  
Frank Benham

## ***ROLL CALL***

Board Chairman Levine called the meeting to order at 10:59 a.m. in the Board Room of the Illinois State Board of Investment office at 180 North LaSalle Street, Suite 2015, in Chicago. Mr. Mehta called the roll and noted a quorum was present.

Trustee Woehrle moved that Justice Schostok be allowed to participate in the meeting by conference call pursuant to Section 7(a) of the Open Meetings Act. Board Chairman Levine seconded, and the motion passed unanimously.

## ***REPORT OF THE AUDIT & COMPLIANCE COMMITTEE CHAIR***

None.

## ***CONSIDERATION AND APPROVAL OF MINUTES***

Trustee Woehrle moved to approve the minutes, as presented, from the September 20, 2018 Audit and Compliance Committee meeting. Justice Schostok seconded, and the motion passed unanimously.

## ***REPORT OF THE DIRECTOR OF OPERATIONS, ACCOUNTING, AND AUDIT***

Mr. Zaloga discussed the status of the Fiscal Year 2018 Audit (the "Audit"). He stated KPMG provided a clean and unmodified opinion on the Audit. Mr. Zaloga further noted that KPMG had reported two specific findings; the use of estimated valuation figures and the issue date of the annual report. Discussion ensued amongst the Trustees.

## ***CONSIDERATION FOR ACCEPTANCE AND FILING OF RECORD OF VOUCHERS JULY, AUGUST, SEPTEMBER 2018)***

Mr. Zaloga referred Committee Members to the Record of Vouchers paid in July, August, and September 2018.

Board Chairman Levine moved that the Record of Vouchers be approved and accepted for filing, as presented, consistent with the recommendation of ISBI's Staff. Trustee Woehrle seconded, and the motion passed unanimously.

## ***ETHICS MATTERS***

### **Consideration and Approval of Agent Contact Report**

Mr. Mehta directed Committee members to the Agency Contact Report for the second quarter of fiscal 2019.

Trustee Woehrle moved that the Agent Contact Report as presented be approved and accepted for filing as recommended by ISBI Staff. Trustee Reiches seconded, and the motion passed unanimously.

**Consideration and Approval of Fiduciary Training Opportunities and Reminder of Board Member Timesheets**

Mr. Mehta referred Members to the December 2018 list of Upcoming Training Opportunities, previously provided, and noted that travel expenses are reimbursable if approved by a majority of the Board consistent with the requirements of the Illinois Pension Code and ISBI's policies.

Trustee Flores moved that the conferences and trainings listed on the December 2018 list of Upcoming Training Opportunities as presented be approved pursuant to Section 1-113.18 of the Illinois Pension Code and that all resulting allowable expenses consistent with ISBI's policies be reimbursed. Trustee Reiches seconded, and the motion passed unanimously.

***NEW BUSINESS/OLD BUSINESS***

None.

***PUBLIC COMMENT***

None.

***NEXT MEETING AND ADJOURNMENT***

Chairwoman Schostok noted that the next meeting was scheduled for March 15, 2019 and Committee Members will be notified of the time at a later date. At 11:12 a.m., there being no further business to come before the Committee, Trustee Woehrle moved to adjourn the meeting. Trustee Flores seconded, and the meeting was adjourned.

Respectfully submitted,



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Johara Farhadieh, Executive Director/  
Chief Investment Officer