

**MINUTES OF THE  
AUDIT & COMPLIANCE COMMITTEE**

Friday, June 14, 2019 - 9:00 a.m.  
180 N. LaSalle St., Suite 2015  
Chicago, IL 60601

**Present:**

<u><b>Committee Members</b></u>	Chairwoman Justice Mary Seminara-Schostok Comptroller Susana Mendoza Ronald Powell
<u><b>Board Members</b></u>	Gisela Attlan Treasurer Michael Frerichs Representative Robert Martwick Jaye Williams
<u><b>Staff</b></u>	Genette Bacon-Cordova Shawn Evans Johara Farhadieh Mitchell Green Maryann Hong James Karls Dipesh Mehta Jessica Revilla Scott Richards Atul Talwar David Zaloga

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<u><b>Guests</b></u>	Burke Burns & Pinelli, Ltd. Sarah Boeckman
	Illinois State Comptroller's Office Patrick Corcoran KC Stralka
	Illinois State Treasurer's Office Allen Mayer
	Meketa Investment Group, Inc. Ghiane Jones Alli Wallace Christy Gahr
	KPMG LLP

Cathy Baumann  
Anthony Solano

Not Present: Committee Members

Michael Tarnoff

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## ***ROLL CALL***

Board Chairwoman Schostok called the meeting to order at 9:04 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 the Board Chairwoman noted that the Board would go out of the regular order of business indicated on the agenda to first address informational items on the agenda that did not require Board action.

At 9:19 a.m., Trustee Mendoza joined the meeting. Mr. Mehta noted that a quorum was now present.

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

None.

## ***APPOINTMENT OF STANDING COMMITTEE***

Pursuant to the Board Bylaws, Chairwoman Schostok appointed the following members to the Audit and Compliance Committee: Chairwoman Schostok as Chair of the Audit and Compliance Committee, Trustee Powell, Trustee Mendoza, and Trustee Tarnoff.

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

Board Chairwoman Schostok moved to approve the minutes, as presented, from the March 15, 2019 Audit and Compliance Committee meeting. Trustee Powell seconded, and the motion passed unanimously.

## ***FISCAL YEAR 2019 AUDIT PRESENTATION BY KPMG***

Ms. Baumann from KPMG directed Committee Members to the presentation materials and gave an overview of KPMG's role in ISBI's 2019 Audit and the audit plan for 2019.

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

### **Report on status of Fiscal Year 2019 Audit**

Mr. Zaloga discussed the status of the Fiscal Year 2019 Audit (the "Audit"). He stated that the Audit was on schedule.

### **Consideration and Approval of Financial Statements (12/31/18)**

Mr. Zaloga referred Committee Members to the Financial Statements from December 31, 2018.

Trustee Powell moved that the Financial Statements from December 31, 2018 be approved and accepted for filing, as presented, consistent with the recommendation of ISBI's Staff. Trustee Mendoza seconded, and the motion passed unanimously.

***CONSIDERATION FOR ACCEPTANCE AND FILING OF RECORD OF VOUCHERS  
JANUARY, FEBRUARY, MARCH 2019)***

Mr. Zaloga referred Committee Members to the Record of Vouchers paid in January, February, and March 2019. Board Chairwoman Justice Schostok asked members of the Committee if there were any questions regarding the Record of Voucher and there were none.

Trustee Mendoza moved that the Record of Vouchers be approved and accepted for filing, as presented, consistent with the recommendation of ISBI's Staff. Trustee Powell 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 fourth quarter of fiscal year 2019.

Trustee Mendoza moved that the Agent Contact Report as presented be approved and accepted for filing as recommended by ISBI Staff. Trustee Powell 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 June 2019 list of Upcoming Training Opportunities, previously provided, and noted that travel expenses are reimbursable if approved in advance by a majority of the Board consistent with the requirements of the Illinois Pension Code and ISBI's policies.

Trustee Powell moved that the conferences and trainings listed on the June 2019 list of Upcoming Training Opportunities as presented be approved pursuant to Section 1-150 of the Illinois Pension Code and that all resulting allowable expenses consistent with ISBI's policies be reimbursed. Trustee Mendoza seconded, and the motion passed unanimously.

***NEW BUSINESS/OLD BUSINESS***

None.

***PUBLIC COMMENT***

None.

***NEXT MEETING AND ADJOURNMENT***

Board Chairwoman Schostok noted that the next meeting was scheduled for September 20, 2019 and Committee Members will be notified of the time at a later date. At 9:35 a.m., there being no further business to come before the Committee, Trustee Powell moved to adjourn the meeting. Trustee Mendoza seconded, and the meeting was adjourned.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Johara Farhadieh".

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Johara Farhadieh, Executive Director/  
Chief Investment Officer

