

MINUTES OF THE  
AUDIT & COMPLIANCE COMMITTEE

Friday, September 20, 2019 - 9:00 a.m.  
180 N. LaSalle St., Suite 2015  
Chicago, IL 60601

Present:

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| <u>Committee Members</u> | Chairwoman Justice Mary Seminara-Schostok<br>Comptroller Susana Mendoza<br>Michael Tarnoff  |
| <u>Board Members</u>     | Treasurer Michael Frerichs<br>Senator Robert Martwick<br>Elizabeth Sanders<br>Jaye Williams   |
| <u>Staff</u>             | Genette Bacon-Cordova<br>Shawn Evans<br>Johara Farhadieh<br>Mitchell Green<br>Maryann Hong<br>James Karls<br>Dipesh Mehta<br>Jessica Revilla<br>Scott Richards<br>Atul Talwar<br>David Zaloga |

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Guests

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| Burke Burns & Pinelli, Ltd.<br>Sarah Boeckman                      |
| Illinois State Comptroller's Office<br>Andrew Ranck                |
| Illinois State Treasurer's Office<br>Rodrigo Garcia<br>Allen Mayer |
| Governmental Consulting Solutions<br>Steve Zahn                    |

Not Present:

|                          |               |
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| <u>Committee Members</u> | Ronald Powell |
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## ***ROLL CALL***

Board Chairwoman Schostok called the meeting to order at 9:06 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 committee agendas to first address the Emerging Manager Committee agenda that did not require Board action.

At 9:13 a.m., Trustee Mendoza joined the meeting. Mr. Mehta noted that a quorum was now present for the Audit and Compliance Committee.

## ***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. Trustee Mendoza moved that the Board approve the appointments to the Audit and Compliance Committee. Trustee Tarnoff seconded, and the motion passed unanimously.

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

Trustee Tarnoff moved to approve the minutes, as presented, from the June 14, 2019 Audit and Compliance Committee meeting. Trustee Mendoza seconded, and the motion passed unanimously.

## ***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 and progressing as planned.

## ***CONSIDERATION AND APPROVAL OF FINANCIAL STATEMENTS (3/31/19)***

Mr. Zaloga referred Committee Members to the Financial Statements from March 31, 2019.

Trustee Mendoza moved that the Financial Statements from March 31, 2019 be approved and accepted for filing, as presented, consistent with the recommendation of ISBI's Staff. Trustee Tarnoff seconded, and the motion passed unanimously.

## ***CONSIDERATION FOR ACCEPTANCE AND FILING OF RECORD OF VOUCHERS (APRIL, MAY, JUNE 2019)***

Mr. Zaloga referred Committee Members to the Record of Vouchers paid in April, May, and June 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 Tarnoff moved that the Record of Vouchers be approved and accepted for filing, as presented, consistent with the recommendation of ISBI's Staff. Trustee Mendoza 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 first quarter of fiscal year 2020.

Trustee Mendoza moved that the Agent Contact Report as presented be approved and accepted for filing as recommended by ISBI Staff. Trustee Tarnoff 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 September 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 Tarnoff moved that the conferences and trainings listed on the September 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 December 12, 2019 and Committee Members will be notified of the time at a later date. At 9:48 a.m., there being no further business to come before the Committee, Trustee Mendoza moved to adjourn the meeting. Trustee Tarnoff seconded, and the meeting was adjourned.

Respectfully submitted,



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Johara Farhadieh, Executive Director/  
Chief Investment Officer