

**MINUTES OF THE  
AUDIT & COMPLIANCE COMMITTEE**

Wednesday, December 13, 2017 - 10:00 a.m.  
180 N. LaSalle St., Suite 2015  
Chicago, IL 60601

**Present:**

**Committee Members**

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

**Board Members**

Katherine Hennessy

**Staff**

William Atwood  
Genette Bacon-Cordova  
Shannon Bond  
Shawn Evans  
Johara Farhadieh  
Mitchell Green  
James Karls  
Scott Richards  
Atul Talwar  
David Zaloga

**Guests**

Burke Burns & Pinelli, Ltd.  
Mary Patricia Burns

Illinois State Comptroller's Office  
Chasse Rehwinkel

Illinois State Treasurer's Office  
Rodrigo Garcia

Meketa Investment Group, Inc.  
Alli Wallace  
Frank Benham

## ***ROLL CALL***

Chairwoman Schostok called the meeting to order at 10:02 a.m. in the Board Room of the Illinois State Board of Investment at 180 North LaSalle Street, Suite 2015, in Chicago. Ms. Bond called the roll and noted a quorum was present.

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

Chairwoman Schostok and Mr. Zaloga discussed the status of the fiscal year 2017 audit by external auditor, KPMG LLP.

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

Trustee Flores moved to approve the minutes, as presented, from the June 14, 2017 Audit and Compliance Committee meeting. Trustee Reiches seconded, and the motion passed unanimously.

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

Report on status of FY2017 Audit  
(Previously discussed.)

## ***CONSIDERATION FOR ACCEPTANCE AND FILING OF RECORD OF VOUCHERS (JULY, AUGUST, SEPTEMBER 2017)***

Mr. Zaloga referred Committee Members to the Record of Vouchers paid in July, August, and September of 2017. Trustee Reiches asked about the cost of ISBI's office space.

Trustee Flores asked about ISBI's Council of Institutional Investors ("CII") membership.

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 Reiches seconded, and the motion passed unanimously.

## ***Ethics Matters***

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

Ms. Bond referred Committee Members to her memorandum, "Placement Agent Contact Report Q2 FY2018," previously provided. Chairwoman Schostok reminded Members to forward any emails from placement agents to Staff.

Trustee Woehrle moved that the Agent Contact Report be approved and accepted for filing, as presented, consistent with the recommendation of ISBI's Staff. Trustee Reiches seconded, and the motion passed unanimously.

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

Fiduciary Counsel referred Members to the December 2017 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.

Chairwoman Schostok noted that there are many opportunities to obtain fiduciary training and encouraged Members to avail themselves of those opportunities. Chairwoman Schostok reminded Members to submit their timesheets to Ms. Bond by June 30, 2018. Discussion ensued regarding CII events. Members also discussed inviting Rick Funston of Funston Advisory Services, LLC to do a presentation regarding best practices.

Trustee Reiches moved that the conferences and trainings listed on the December 2017 list of Upcoming Training Opportunities be approved, as presented, pursuant to Section 1-150 of the Illinois Pension Code, and that all resulting allowable expenses incurred by Trustees be reimbursed, consistent with ISBI's policies.

***NEW BUSINESS/OLD BUSINESS***

None.


***PUBLIC COMMENT***

None.

***NEXT MEETING AND ADJOURNMENT***

Chairwoman Schostok noted that Committee Members will be notified of the date and time for the next meeting at a later date. At 10:23 a.m., there being no further business to come before the Committee, Trustee Reiches moved to adjourn the meeting. Board Chairman Levine seconded, and the meeting was adjourned.

Respectfully submitted,



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William Atwood, Executive Director