



Teachers' Retirement System of the State of Illinois

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Richard W. Ingram, Executive Director

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MINUTES Audit Committee August 25, 2014

A meeting of the Audit Committee of the Board of Trustees of the Illinois Teachers' Retirement System was held on August 25, 2014 at the Springfield office of the Illinois Teachers' Retirement System, 2815 West Washington Street. Bob Lyons, Chair, called the meeting to order at 1:30 p.m. A quorum was present.

Roll call attendance was taken with the following committee members present: Bob Lyons (Chair), Marcia Campbell, and Cynthia O'Neill. Absent: Mark Bailey. A vacancy exists on the Audit Committee due to the recent resignation of Trustee Enrique Vasquez.

Trustees present: Mike Busby, Rainy Kaplan, Cinda Klickna, Chris Koch, Sharon Leggett, and Sonia Walwyn.

Others present: Dick Ingram, Executive Director; Stan Rupnik, Chief Investment Officer; Deron Bertolo, Director of Investment Operations; Tom Gray, General Counsel; Cynthia Fain, Sr. Assistant General Counsel; Gina Larkin, Director of Human Resources; Jana Bergschneider, Director of Administration; Dave Urbanek, Director of Communications; Rich Frankenfeld, Director of Outreach; Sally Sherman, Director of Member Services; Kathleen Farney, Director of Research; Stacy Smith, Director of Internal Audit; Tassi Maton, Sr. Internal Auditor; Christina Baker, Internal Auditor; Tammy Green, Assistant to the Executive Director; Sue Billington, Executive Assistant, and John Long, Cavanagh & O'Hara (Fiduciary Counsel),

Visitors present: Dennis Murfin, IRTA; Don Davis, IRTA; Gayla Dial, IEA-R/IRTA; Bob Kaplan, IEA/IRTA; David Bishop, IEA-R; Tony Casalino, IFT; Donnie Ostrom, IRTA; Daniel Winter, and Dennis Sourtek.

EXECUTIVE SESSION

A motion was made by Cynthia O’Neill, seconded by Marcia Campbell, that the Audit Committee enter into executive session for the purpose of discussing internal control weaknesses as permitted under the following exception set forth in the Open Meetings Act which authorizes the closing of the meeting to the public: 5 ILCS 120/2(c)(28). Roll call resulted in affirmative voice votes from Trustees Campbell, Lyons, and O’Neill. Motion CARRIED.

No action was taken during executive session. A motion was made by Marcia Campbell, seconded by Cynthia O’Neill, that the Audit Committee come out of executive session. Roll call resulted in affirmative voice votes from Trustees Campbell, Lyons, and O’Neill. Motion CARRIED.

Minutes

Drafts of the May 28, 2014 regular Audit Committee meeting and executive session minutes were sent to the committee members for review. On a motion by Marcia Campbell, seconded by Cynthia O’Neill, the minutes were approved as printed. Trustee Lyons abstained from voting.

Independence of Internal Audit Activity

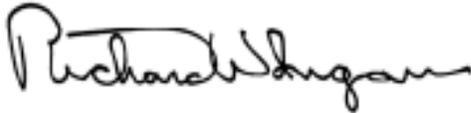
Attribute Standard 1110 from the International Standards for the Professional Practice of Internal Auditing states that the chief audit executive must confirm to the board, at least annually, the organizational independence of the internal audit activity. A copy of an annual TRS Auditor Independence Statement is on file for each internal audit staff member. There are no potential conflicts of interest that could preclude them from carrying out the fiscal year audit activities.

Quality Assurance and Improvement Program

Attribute Standard 1320 from the International Standards for the Professional Practice of Internal Auditing states that the chief audit executive must communicate the results of the quality assurance and improvement program to senior management and the board at least annually. The committee received a copy of the FY 2014 quality assurance and improvement program checklist. Documentation is on file.

ADJOURNMENT

On a motion by Cynthia O’Neill, seconded by Marcia Campbell, and by unanimous vote, the meeting adjourned at 2:06 p.m.

A handwritten signature in black ink that reads "Richard W. Ingram". The signature is written in a cursive style with a large initial 'R'.

Richard W. Ingram, Executive Director

Approved: 10/30/14