



## Teachers' Retirement System of the State of Illinois

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### MINUTES Audit Committee February 8, 2012

A meeting of the Audit Committee of the Board of Trustees of the Illinois Teachers' Retirement System was held on February 8, 2012 at the Springfield office of the Illinois Teachers' Retirement System, 2815 West Washington Street. Janice Reedus, Chair, called the meeting to order at 3:30 p.m. A quorum was present.

Roll Call attendance was taken with the following committee members present: Janice Reedus (Chair), Bob Lyons (Vice Chair), Mike Busby, and Cynthia O'Neill. Absent: Cinda Klickna

Trustees present: Marcia Campbell and Molly Phalen.

Others present: Stacy Smith, Director of Internal Audit; Tassi Maton, Sr. Internal Auditor; Christina Baker, Internal Auditor; Cynthia Fain, Sr. Asst. General Counsel; Sally Sherman, Director of Member Services; Jana Bergschneider, Director of Administration; Tammy Green, Asst. to Executive Director; and Pat O'Hara, Cavanagh & O'Hara (Fiduciary Counsel); Becky Gratsinger and John McLaughlin, RV Kuhns & Associates (Investment Consultant).

Visitors present: Dennis Murfin, IRTA Rep. and Jack Tucker, IEA-R.

#### Minutes

A draft of the minutes from the December 12, 2011 Audit Committee was sent to the committee members for review. On a motion by Bob Lyons, seconded by Mike Busby, the minutes were approved as printed.

#### Internal Audit Reports

Stacy Smith, Director of Internal Audit, and Christina Baker, Internal Auditor, provided summaries of the Revenue & Receivables audit and the Information Technology Governance audit. Documentation is on file.

### FY 13 Audit Plan

Staff is in the process of developing the FY 13 audit plan. The Performance Standards promulgated by the Institute of Internal Auditors state that the internal audit activity's plan of engagements must be based on a documented risk assessment, undertaken at least annually. The input of senior management and the committee must be considered in this process. Stacy Smith requested recommendations from the audit committee. Recommendations for the FY 2013 audit plan can be emailed to her.

### External Audit Update

Jana Bergschneider, Director of Administration, provided a synopsis of the June 30, 2011 external audit performed by McGladrey & Pullen. The compliance report noted no material findings and two immaterial findings.

### **ADJOURNMENT**

On a motion by Bob Lyons, seconded by Cynthia O'Neill, and by unanimous vote, the meeting adjourned at 3:40 p.m.

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Richard W. Ingram, Executive Director

Approved \_\_\_\_\_