



Teachers' Retirement System of the State of Illinois

2815 West Washington Street | P.O. Box 19253 | Springfield, Illinois 62794-9253

Richard W. Ingram, Executive Director
<http://trs.illinois.gov>

(800) 877-7896 | for the hearing impaired: (866) 326-0087

MINUTES Audit Committee February 21, 2013

A meeting of the Audit Committee of the Board of Trustees of the Illinois Teachers' Retirement System was held on February 21, 2013 at the Springfield office of the Illinois Teachers' Retirement System, 2815 West Washington Street. Bob Lyons, Vice Chair, called the meeting to order at 9:08 a.m. A quorum was present.

Roll Call attendance was taken with the following committee members present: Bob Lyons (Vice Chair), Mike Busby, Marcia Campbell, and Cynthia O'Neill.

Absent: Janice Reedus (Chair)

Trustees present: President Chris Koch, Jan Cleveland, Cinda Klickna, Sharon Leggett, Molly Phalen, Sonia Walwyn, and Enrique Vasquez.

Others present: Dick Ingram, Executive Director; Stan Rupnik, Chief Investment Officer; Deron Bertolo, Director of Investment Operations; Kenyatta Matheny, Investment Officer; Tom Gray, General Counsel; Cynthia Fain, Senior Assistant General Counsel; Jana Bergschneider, Director of Administration; Lisa Locki, Employer Services Manager; Stacy Smith, Director of Internal Audit; Tassi Maton, Sr. Internal Auditor; Christina Baker, Internal Auditor; Rich Frankenfeld, Director of Outreach; Sally Sherman, Director of Member Services; Dave Urbanek, Director of Communications; Gina Larkin, Director of Human Resources; Kathleen Farney, Director of Research; Tammy Green, Assistant to the Executive Director; Sue Billington, Executive Assistant; Pat O'Hara, Cavanagh & O'Hara (Fiduciary Counsel), Becky Gratsinger, RV Kuhns & Associates (Investment Consultant) and Andrew Bodewes (Legislative Consultant).

Visitors present: Don Davis, IRTA Rep.; Dennis Murfin, IRTA Rep.; Alan Jones, IEA-R; and Jeanne Jones, IEA-R.

Minutes

A draft of the minutes from the December 10, 2012 Audit Committee was sent to the committee members for review. On a motion by Marcia Campbell, seconded

by Mike Busby, the minutes were approved as corrected. Page 2, “credible” was changed to read “creditable”.

Internal Audit Reports

Internal Audit staff provided summaries of the Investment Transition Management audit and the Purchasing, Contracting, and Leasing audit. Documentation is on file.

Employer Services Audit Update

Jana Bergschneider, Director of Administration, and Lisa Locki, Employer Services Manager, provided responses to the Audit Committee’s resolutions that were adopted on October 26, 2012. Documentation is on file. Further updates will be provided in May or June.

Continuous Auditing

Internal Audit staff began continuous auditing during FY 12 with investment management fees. Internal Audit has completed the review of all investment asset classes from FY 09 through the first quarter of FY 12 and all of the fees were recalculated without exception. Internal Audit will continue to review fees on an ongoing basis.

FY 14 Audit Plan

Staff is in the process of developing the FY 14 risk based audit plan. Internal Audit considers the input of senior management and the audit committee in developing the annual plan. Recommendations for the FY 2014 audit plan can be emailed to Stacy Smith, Director of Internal Audit.

ADJOURNMENT

On a motion by Marcia Campbell, seconded by Cynthia O’Neill, and by unanimous vote, the meeting adjourned at 9:43 a.m.

Richard W. Ingram, Executive Director

Approved _____