



MINUTES
Audit Committee
October 27, 2017

A meeting of the Audit Committee of the Board of Trustees of the Illinois Teachers' Retirement System was held on October 27, 2017 at the Hilton Rosemont Chicago O'Hare, 5550 North River Road, Rosemont, Illinois. Matt Hower, Chair, called the meeting to order at 8:00 a.m. A quorum was present.

Roll Call attendance was taken with the following committee members present: Matt Hower, (Chair), Mark Bailey (Vice Chair), Andy Hirshman, Fred Peronto, and Randy Winters. Trustees present: Cinda Klickna, Marc Levine, Laura Pearl, Larry Pfeiffer, Dan Winter, and Tony Smith.

Others present: Dick Ingram, Executive Director; Stan Rupnik, Chief Investment Officer; Greg Turk, Director of Investments; Carlton Lenoir, Chief Benefits Officer; Dave Urbanek, Director of Communications; Stacy Smith, Director of Internal Audit; Scottie Bevill, Sr. Investment Officer; Ben Skrodzki, Investment Officer; Bill Thomas, Investment Officer; Tammy Green, Executive Assistant; and John Wolters, Cavanagh & O'Hara (Fiduciary Counsel); Becky Gratsinger and Ian Bray, RVKuhns (Investment Consultant).

Visitors present: Christine Williamson, Pensions & Investments; Margie Trigg, IEA-Retired; and Tony Casalino, IL Federation of Teachers.

Minutes

A draft of the August 22, 2017 Audit Committee meeting was sent to the committee members for review. On a motion by Mark Bailey, seconded by Fred Peronto, and by unanimous voice vote, the minutes were approved as printed.

Internal Audit Reports

Stacy Smith, Director of Internal Audit, provided summaries of the investment compliance audit and the optional service audit. Documentation is on file.

Audit Findings & Observations Status Report

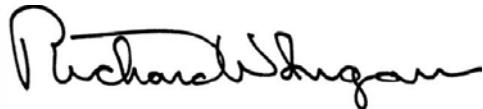
Ms. Smith provided a summary of the Audit Findings & Observations Status Report as of September 30, 2017. The report shows the recommendation for each finding and observation along with the status of the item and length of time outstanding. The report contains only items that are still pending, issues that have been resolved, new reportable items since last report, and issues where the risk has been accepted by the responsible department. Documentation is on file.

Internal Self-Assessment Report

The committee received the results of the self–assessment quality assurance review conducted by TRS’s internal audit department. Documentation is on file. The results of the report show that TRS’s internal audit activity generally conforms to the Institute of Internal Auditors’ International Standards for the Professional Practice of Internal Auditing, Code of Ethics, and the Fiscal Control and Internal Auditing Act of Illinois.

ADJOURNMENT

On a motion by Mark Bailey, seconded by Andy Hirshman, and by unanimous vote, the meeting adjourned at 8:15 a.m.

A handwritten signature in black ink, appearing to read "Richard W. Ingram". The signature is fluid and cursive, with a large initial "R" and "I".

Richard W. Ingram, Executive Director

Approved: 3/1/18