



MINUTES
Audit Committee
October 29, 2018

A meeting of the Audit Committee of the Board of Trustees of the Illinois Teachers' Retirement System was held on October 29, 2018 at the Hyatt Regency O'Hare, 9300 Bryn Mawr, Rosemont, Illinois. Matt Hower, Chair, called the meeting to order at 11:30 a.m. A quorum was present.

Roll Call attendance was taken with the following committee members present: Matt Hower, (Chair); Fred Peronto, (Vice Chair); Andy Hirshman, Larry Pfeiffer, and Tracy Kearney. Trustees present: Mark Bailey, John Bloomfield, Cinda Klickna, Mark Splitstone, Dan Winter, and Tony Smith. Mr. Bloomfield was appointed by the governor on October 24, 2018 to serve as a member of the TRS Board of Trustees through July 2022.

Others present: Dick Ingram, Executive Director; Stan Rupnik, Chief Investment Officer; Marcy Dutton, Chief Legal Counsel; Carlton Lenoir, Chief Benefits Officer; Kathleen Farney, Director of Research; Deron Bertolo, Director of Investment Accounting; Stacy Smith, Director of Internal Audit; Dave Urbanek, Director of Communications; Bob Jiroutek, Risk Officer; Scottie Bevill, Sr. Investment Officer; Tammy Green, Executive Assistant; and Tiffany Reeves, Reinhart (Fiduciary Counsel).

Visitors present: Loretta Tisdell, IEA-Retired; Bob Lyons, IRTA; and Douglas Strand, IRTA.

Minutes

A draft of the August 16, 2018 minutes of the Audit Committee meeting was sent to committee members for review. On a motion by Tracy Kearney, seconded by Andy Hirshman, and by unanimous voice vote, the minutes were approved as printed.

Internal Audit Report

Stacy Smith, Director of Internal Audit, provided a summary of the Agency Administration audit. Documentation is on file.

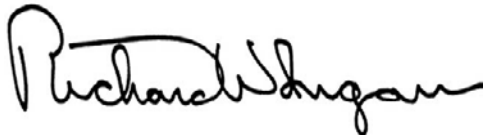
Audit Findings & Observations Status Report

Ms. Smith provided a summary of the Audit Findings & Observations Status Report as of September 30, 2018. 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. Trustee Bloomfield expressed the importance of password complexity and requested staff provide a follow-up in December on details noted in the Information Technology Risk Accepted Status report regarding Observations 1 and 3 from the Securance Information Systems Controls Review performed in 2013. Trustee Bloomfield requested the follow-up include details on the specific hardships that would be the result of implementing these recommendations since TRS management decided to not implement the recommendations from the Securance report.

ADJOURNMENT

On a motion by Larry Pfeiffer, seconded by Andrew Hirshman, and by unanimous vote, the meeting adjourned at 11:45 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: 12/13/18