



**MINUTES**  
**Audit Committee**  
**August 2, 2019**

A meeting of the Audit Committee of the Board of Trustees of the Illinois Teachers' Retirement System was held on August 2, 2019 at the Hyatt Regency O'Hare, 9300 Bryn Mawr, Rosemont, IL. Fred Peronto, Chair, called the meeting to order at 9:00 a.m. A quorum was present.

Marcy Dutton, TRS Chief Legal Counsel, presented the Oath of Office to Mr. Douglas Strand. Mr. Strand joins the Board as one of two trustees elected by TRS annuitants. His term is July 15, 2019-July 14, 2023.

Roll Call attendance was taken with the following committee members present: Fred Peronto (Chair), Maureen Mena (Vice Chair), Devon Bruce, Larry Pfeiffer, and Doug Strand. Trustees present: Andy Hirshman, Carmen Ayala, Matt Hunt, Marsha Byas, Norma Bellcoff.

Others present: Dick Ingram, Executive Director; Stan Rupnik, Chief Investment Officer; Bob Jiroutek, Risk Officer; Tim Hays, Sr. Investment Officer; Dakin Sanert, Investment Officer; Marcy Dutton, Chief Legal Counsel; Jana Bergschneider, Chief Financial Officer; Carlton Lenoir, Chief Benefits Officer; Jay Singh, Chief Information Officer (effective 8/5); Deron Bertolo, Director of Investment Accounting; Stacy Smith, Director of Internal Audit and Risk; Kathleen Farney, Director of Research; Cory Wilson, Network Administrator; Tammy Green, Executive Assistant; and Tiffany Reeves, Reinhart (Fiduciary Counsel);

Visitors present: Christine Williamson, Pensions & Investments and Jack Tucker, IEA-Retired.

Minutes

A draft of the June 13, 2019 minutes of Audit Committee meeting was sent to the committee members for review. On a motion Devon Bruce, seconded by Larry Pfeiffer, the minutes were approved by unanimous voice vote.

Internal Audit Reports

Stacy Smith, Director of Internal Audit and Risk, provided summaries of the following audits. Documentation is on file.

- Real Estate
- IT Governance

### FY 2019 Audit Completion Report

The Fiscal Control and Internal Auditing Act mandates that each year Internal Audit submit to the Executive Director a report detailing how the audit plan for the past year was carried out, significant findings including management’s response and the extent to which the audit recommendations were implemented. The committee received the FY 19 Audit Completion Report. Documentation is on file. All mandatory audits scheduled this fiscal year were completed.

### Independence of Internal Audit Activity

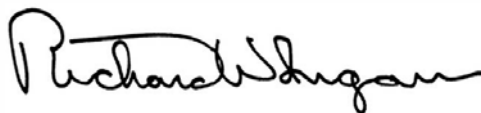
Attribute Standard 1110 from the International Standards for the Professional Practice of Internal Auditing states that the chief audit executive must confirm to the Board, at least annually, the organizational independence of the internal audit activity. A copy of an annual TRS Auditor Independence 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 19 quality assurance and improvement program checklist. Documentation is on file. The quality assurance and improvement program is an ongoing and periodic assessment of the entire spectrum of audit and consulting work performed by the internal audit activity.

### **ADJOURNMENT**

On a motion by Devon Bruce, seconded by Doug Strand, and by unanimous vote, the meeting adjourned at 9:14 a.m.



Richard W. Ingram, Executive Director

Approved: \_\_\_10/28/19\_\_\_\_\_