

ROLL CALL

Chairman Bush called the meeting to order at 8:30 a.m. The Secretary called the roll and noted that a quorum was present.

MINUTES OF PREVIOUS MEETING

Mr. Montgomery moved to approve the minutes of the Audit & Compliance Committee meeting held December 18, 2009, in the form previously submitted. Comptroller Hynes seconded and the motion passed unanimously.

FY 2009 REPORT OF AUDIT

Ms. White stated that the compliance and financial audit reports had previously been distributed and reviewed. There were two material findings. The first finding was regarding inadequate controls over financial reporting for securities lending transactions. This finding was classified as a material weakness. The second finding was regarding the timeliness of fair valuation measurements and disclosures for alternative investments. This finding was classified as a significant deficiency. (Official minutes contain attachments.)

TRAVEL

Director Atwood referred Committee Members to a memorandum "Third Party Travel Reimbursement" dated March 3, 2010, that had previously been distributed. Following review and discussion, Mr. Montgomery moved to approve Emily Reid's attendance at the Pension Plan De-Risking Summit in New York to be held May 19-21, 2010 and third party reimbursement for expenses as outlined. Comptroller Hynes seconded and the motion passed unanimously. (Official minutes contain attachments.)

ETHICS MATTERS

Placement Agent Contact Report

Ms. Reid referred to the memorandum "Placement Agent Contact Report Q2 FY 2010" dated March 1, 2010, and reviewed. Following review, Mr. Montgomery moved to accept the report. Comptroller Hynes seconded and the motion passed unanimously. (Official minutes contain attachment.)

Ethics Training

Ms. Reid reported that the Board Members' Ethics Training needed to be completed prior to April 4th and stated that any Members needing additional training should contact her to make arrangements.

Board Member Timesheets

Ms. Reid requested that the appointed Board Members submit their quarterly timesheets.

STAFF PERSONAL TRANSACTION REPORTS

Ms. Spinato reported that there were no exceptions to report to the Staff's Monthly Personal Interest Statements for the quarter ending December 2009.

COMMISSION RECAPTURE REPORT

Ms. Spinato stated that the Commission Recapture Report for the quarter ending December 2009 had previously been distributed. Mr. Montgomery moved to approve the Commission Recapture Report for the quarter ending December 30, 2009. Ms. Bush seconded and the motion passed unanimously. (Official minutes contain attachment.)

RECORD OF VOUCHERS

Ms. Spinato stated that the Record of Vouchers for the months of October, November and December 2009, were previously distributed. Following review of the Records of Vouchers, Mr. Montgomery moved to approve the Records of Vouchers for the months of October, November and December 2009. Comptroller Hynes seconded and the motion passed unanimously. (Official minutes contain attachments.)

UNFINISHED BUSINESS

None.

NEW BUSINESS

Director Atwood reported that Staff was developing a Deferred Compensation time keeping and reimbursement policy which would be submitted to the Board for approval at the June meeting, and that beginning April 1, ISBI staff time would be recorded and billed to the State Employees' Deferred Compensation Plan.

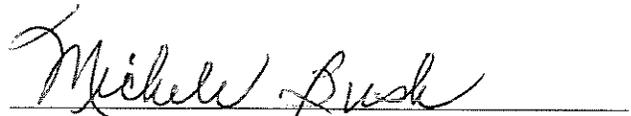
NEXT MEETING AND ADJOURNMENT

Chairman Bush stated that the next meeting of the Audit & Compliance Committee was scheduled to be held Friday, June 25, 2010. At 8:50 a.m., there being no further business to come before the Committee, Mr. Montgomery moved to adjourn. Comptroller Hynes seconded and the meeting was adjourned.

Respectfully submitted,



Thomas E. Hoffman, Recording Secretary
Illinois State Board of Investment



Michele Bush, Chairman
Audit & Compliance Committee