

Illinois Municipal Retirement Fund

Meeting No: 16-05-A

Audit Committee

The Audit Committee met at the IMRF office in Oak Brook, Illinois on Friday, May 20, 2016, at 8:00 A.M. Committee members Henry, Kuehne and Stanish were present. IMRF staff members Kosiba, Nannini, Duquette, Shah, Woollen, Davidyan, Neely, Teague and Splitt were present. Also present were representatives from RSM: Evans, Sarb and Cardona.

(16-05-01) Chairperson Henry called the meeting to order at 8:00 AM.

(16-05-02) (Approval of Minutes)

Minutes from the December 18, 2015 Audit Committee Meeting were approved on a motion by Kuehne, seconded by Stanish. The motion carried unanimously.

(16-05-03) (SOC-1 Type 2 Report)

Staff member Nannini presented the KPMG SOC-1 Type 2 Report for the period January 1, 2015 to March 31, 2016 completed with an unmodified opinion. Appreciation was expressed to the entire organization for completing this in the first year with unmodified opinion. Based on early discussions with RSM on the April 1, 2016 through March 31, 2017 SOC-1 Type 2 Report there may be an increase to the scope of the control objectives.

(16-05-04) (Presentation of Results of 2015 Financial Statement Audit)

Mr. Evans of RSM, presented information in connection with their work on the 2015 financial statements including a document that outlined RSM's responsibilities under generally accepted auditing standards. Currently, RSM has issued a draft unmodified opinion on the 2015 financials. They will continue with their fieldwork on the Financial Statements, the Schedule of Changes in Fiduciary Net Position by Employer and the Census Attestation. They are still waiting on several confirmations and audited financial statements from alternative investment managers. There were no major matters that were brought to the Committee's attention. There were no proposed audit adjustments or internal control findings. They plan on issuing their final opinion by Friday, May 27, 2016.

Trustee Kuehne commented on the difficulty in the timing of receiving confirmations. Chairperson Henry questioned if there was an independence issue with the same auditor firm doing the financial statement audit and the SOC-1 Type 2 Report. Trustee Stanish inquired about the timing of next year's audit.

Barring any last minute changes, the CAFR and Schedule of Changes in Fiduciary Net Position by Employer and the Census Attestation will be accepted by phone as soon as RSM is in receipt of the final confirmations.

(16-05-05) (Report on the Completion of the 2012 Internal Audit Plan)

Staff member Davidyan reported on the completion of work on the 2015 internal audit plan including completing the 1,000 employer audits during 2015. It was noted that there has been a substantial increase in the death match process. Based upon the internal audit work done, it was concluded that IMRF's internal controls were working effectively.

(16-05-06) (Private Session with External Auditors)

No private session was held.

(16-05-07) (Review of Draft of the 2015 Comprehensive Annual Financial Report)




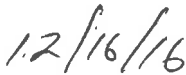
Staff member Nannini reviewed the draft of the Comprehensive Annual Financial Report highlighting several items in the report. Also commented that staff is preparing to implement GASB 72 for the December 31, 2016 CAFR.

(16-05-08) (Other Business)

No other business was conducted.

(16-05-09) (Adjournment)

A motion was made by Trustee Kuehne, seconded by Trustee Stanish to adjourn the meeting. The motion was unanimously approved at 8:25 a.m. The Audit Committee will reconvene on May 26, 2016 by phone.

	
Chairperson	Date
	
Clerk	Date