

Illinois Municipal Retirement Fund

Meeting No: 17-05-A

Audit Committee

The Audit Committee met at the IMRF office in Oak Brook, Illinois on Friday, May 19, 2017, at 8:00 A.M. Committee members Miller, Henry and Kuehne, were present. IMRF staff members Kosiba, Nannini, Duquette, Shah, Woollen, Davidyan, Adamski, Smith, and O'Brien were present. Also present were representatives from RSM: Evans, Sarb and Kettering, and Board member Trudy.

(17-05-01) Chairperson Miller called the meeting to order at 8:00 A.M.

(17-05-02) (Approval of Minutes)

Minutes from the December 18, 2016 Audit Committee Meeting were approved on a motion by Henry, seconded by Kuehne. The motion carried unanimously.

(17-05-03) (SOC-1 Type 2 Report)

Staff member Nannini presented the RSM SOC-1 Type 2 Report for the period April 1, 2016 to March 31, 2017 completed with an unmodified opinion. Mr. Evans of RSM introduced Mr. Kettering and Mr. Sarb. Mr. Kettering went into detail the fieldwork and explained it went smoothly between RSM and the IMRF staff. IMRF was well prepared with timely responses. Mr. Kettering proposed a scope period of 01/01/17 through 12/31/17 for the next SOC 1 Type 2 Report period.

Trustee Henry questioned if feedback from employers was provided. Mark Nannini responded IMRF compiled a survey and distributed the survey for review. The initial response indicated the employers would be in favor of the report aligning with the measurement date of December 31st.

Trustee Kuehne questioned how the proposed process would be implemented. Mr. Kettering responded fieldwork would end through December and a report would be delivered before 03/31/2018. More review time for final internal review is built into the new schedule. Most IMRF employers have a year ending 12/31.

Proposed change in the report period approved on a motion by Chairperson Miller, seconded by Henry.

(17-05-04) (Presentation of Results of 2016 Financial Statement Audit)

Mr. Evans of RSM, presented information in connection with their work on the 2016 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 2016 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. There were no major matters that were brought to the Committee's attention. There were no proposed audit adjustments or internal control findings. RSM plans on issuing their final opinion by May 31, 2017.

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 teleconference as soon as RSM is in receipt of the final confirmations.

(17-05-05) (Report on the Completion of the 2017 Internal Audit Plan)

Staff member Davidyan reported on the completion of work on the 2016 internal audit plan including completing the 174 employer audits during 2016. It was noted that IMRF system controls are operating effectively and the 2016 audit on IMRF had no exceptions.

Based upon the internal audit work done, it was concluded that IMRF's internal controls were working effectively.

(17-05-06) (Private Session with Internal and External Auditors)

Private sessions with the external auditors and internal auditor were held.

(17-05-08) (Other Business)

No other business was conducted.

(17-05-09) (Adjournment)

A motion was made by Trustee Miller, seconded by Trustee Kuehne to adjourn the meeting. The motion was unanimously approved at 9:00 a.m. The Audit Committee will reconvene on May 31, 2017 by teleconference.

Chairperson

Date

Clerk

Date



8/18/17


