

# Illinois Municipal Retirement Fund

## Meeting No: 18-12-A

### Audit Committee

The Audit Committee met at the IMRF office in Oak Brook, Illinois on Friday, December 14, 2018, at 8:00 A.M. Committee members Williams, Henry, Wallace, Stanish and Trustee's Kuehne were present. IMRF staff members Nannini, Duquette, Shah, Smith, Wilson, Adamski, Collins, Teague, Vivas and Janicki-Clark were present. Also present was Bill Sarb from RSM.

(18-12-01) Chairperson Stanish called the meeting to order at 8:00 AM.

(18-12-02) (Approval of Minutes)

Minutes from the May 25, 2018 Audit Committee Meeting were approved on a motion by Henry, seconded by Wallace. The motion carried unanimously.

(18-12-03) (Annual Report on Compliance Activity)

Staff member Janicki-Clark presented the annual report on compliance activity. It was noted there was 100% participation in the yearly code of conduct sessions. 4 Internal complaints were noted. The annual code of conduct process was changed. This year staff was required to watch a series of 4 internal videos and be given credit for their participation. Mark Nannini noted that the videos were very well received by staff.

(18-12-04) (Presentation of Results of 2018 Internal Audit Work Plan Related to the Information System area)

Mr. Gerschoffer of Crowe Horwath presented information in connection with their work on the 2018 internal control review. Gerschoffer highlighted the results and testing completed. He noted a few findings. (a few moderate risk were notes and the remaining findings were noted as low risk). A question arised on the Horizon project and the impact on Internal controls. Mr. Collins provided assurance IMRF staff is working on stronger internal controls – more robust system to come. Mrs. Vivas also communicated IMRF will build stronger controls. MS met with Crowe and IS staff. Crowe will be testing UAT environment in June and July of 2019.

(18-12-05) (Acceptance of 2019 Crowe Horwath Arrangement Letter)

Wait until May 2019 Audit Committee meeting to approve.

(18-12-06) (Presentation of External Audit Services Plan for IMRF (RSM)) for SOC 1 and Financial Audit

Mr. Sarb presented information in connection with the plan of audit services for 2019. RSM is expected to begin preliminary field work in early-December to reaffirm the control processes at IMRF and the SOC engagement. The goal will be produce the SOC 1 Type 2 report by March 8<sup>th</sup>. Employers will need the report produced for GASB 68 purposes.

Mr. Sarb also noted the timing of the fieldwork will be adjusted to produce the CAFR the 1<sup>st</sup> week of May 2019 in order to present the complete report at the May board meeting. Fieldwork will begin in March, continue through most of April and conclude in May.

(18-12-07) (Acceptance of 2018 RSM Contract for Audit and SOC 1 Type 2 Report)

Acceptance was approved on a motion by Kuehne, seconded by Henry. The motion carried unanimously.

(18-12-08) (Presentation of 2019 Internal Audit Plan (Brandi Smith))

Staff member Smith reported on the 2019 Internal Audit Plan. Similar to prior year, there will be a continuation of ongoing testing of cash, benefit payments and investment reporting. Internal audit will continue to work with Crowe Horwath on IS internal controls. The scope for the employer audit will be 180 audits (15% active membership.)

(18-12-09) (Other Business)

No other business was conducted.

(18-12-10) (Private Session with External Auditors)

Yes private session was held.

(18-12-11) (Adjournment)

A motion was made by Trustee Wallace, seconded by Trustee Kuehne to adjourn the meeting. The motion was unanimously approved at 8:52 a.m.

<u>Sue Stanish</u>	<u>2/15/19</u>
Chairperson	Date
<u>Maella Karmen</u>	<u>2/15/19</u>
Clerk	Date