

Illinois Municipal Retirement Fund

Meeting No: 10-06-A

Audit Committee

The Audit Committee met at the IMRF office in Oak Brook, Illinois on Friday, June 25, 2010, at 1:00 PM. Committee members Henry, Rademacher and Stafford were present. Also present were Trustee Copper and staff members DeCleene, Kosiba and O'Brien.

Ms. Henry served as chairperson and called the meeting to order.

(10-06-01) (Approval of Minutes)

Minutes of the May 21, 2010, meeting were approved on a motion by Rademacher, seconded by Stafford.

(10-06-02) (Discussion of Possible Structures of the Internal Audit Department including Staff Recommendation)

After discussion of staff's recommendation, it was agreed that the role of internal audit manager would be transitioned from Mr. Samz of BIK LLP to an IMRF staff member over several years. IMRF would add another staff internal auditor in 2011. Mr. Samz's role in "employer audits" would be reduced. During the transition period, IMRF with the assistance of Mr. Samz would groom a member of the internal staff to assume the role of internal audit manager.

(10-06-03) (Other Business)

Mr. DeCleene distributed the "bio" of Mr. Kurt A. Gabouer, a partner at KPMG. The current KPMG partner on the IMRF account, Jeffery Markert, has been transferred to a firm-wide position within its accounting principles group specializing in governmental matters. Mr. Gabouer has been proposed as his replacement. Given the continued involvement of Ms. Julie Barrientos with our audit, IMRF staff sees no problems with this transfer of audit partner responsibilities.

In conjunction with the discussion in item 10-06-02 above, the IMRF "Internal Auditing Department Charter" was distributed. The Audit Committee decided to review and discuss the charter at its next meeting.

The next scheduled Audit Committee meeting will be on November 19, 2010.

(10-05-04) (Adjournment)

The meeting was adjourned at 1:20 PM.

Chairperson

Date

Clerk

Date