

Illinois Municipal Retirement Fund

Meeting No: 13-05-A

Audit Committee

The Audit Committee met at the IMRF office in Oak Brook, Illinois on Friday, May 31, 2013, at 8:00 AM. Committee members Nannini and Stafford were present; Henry was absent. Also present were Trustees Copper and Kuehne, internal auditors Samz and Davidyan, external auditors Gabouer and Barrientos, and staff members DeCleene, Duquette, Kosiba, Shah, Splitt and O'Brien.

Mr. Nannini served as chairperson and called the meeting to order.

(13-05-01) (Approval of Minutes)

Minutes of the November 16, 2012, meeting were approved on a motion by Stafford, seconded by Nannini.

(13-05-02) (Presentation of Results of 2012 Financial Statement Audit)

Mr. Gabouer of KPMG, presented information in connection with their work on the 2012 financial statements including a document that outlined KPMG's responsibilities under generally accepted auditing standards. . KPMG issued an unmodified opinion on the 2012 financials. There were no major matters that were brought to the Committee's attention. There were no proposed audit adjustments or internal control findings. KPMG also provided IMRF a "no material weakness" letter.

(13-05-03) (Report on the Completion of the 2012 Internal Audit Plan)

Mr. Samz reported on the completion of work on the 2012 internal audit plan including the employer audit program as well as a number of special projects done related to the internal control environment. Mr. Samz concluded that, based upon the internal audit work done, IMRF's internal controls were working effectively.

(13-05-04) (Review of Draft of the 2012 Comprehensive Annual Financial Report)

Mr. DeCleene reviewed the draft of the Comprehensive Annual Financial Report highlighting several items in the report.

(13-05-05) (Other Business)

Mr. DeCleene presented a recommendation that IMRF extend KPMG's agreement to service as its external auditors through 2015 in order to assist in the implementation of GASB 68. The Committee approved the recommendation and forwarded it to the full Board of Trustees for its approval.

(13-05-06) (Private Sessions with External and Internal Auditors)

The Committee met separately with the external and internal auditors having excused

management representatives. The Committee recommended that IMRF attain assistance in reviewing the Horizon implementation to gain assurance that the necessary internal control safeguards are in place.

(13-05-07) (Adjournment)

The meeting was adjourned at 9:21 AM.

Chairperson

Date

Clerk

Date