

## **Illinois Municipal Retirement Fund**

### **Meeting No: 14-5-A**

#### **Audit Committee**

The Audit Committee met at the IMRF office in Oak Brook, Illinois on Friday, May 30, 2014, at 8:00 AM. Committee members Copper, Henry, Kuehne, Piechocinski, and Stafford were present; internal auditor Julia Davidyan, external auditors Gabouer and Barrientos, IS auditors Gerschoffer and Poluga from Crowe Horwath and staff members Duquette, Kosiba, Nannini, Shah, Splitt, Woollen and O'Brien. Also present Janet Wold of Callan and Associates.

(14-5-01) Mr. Kuehne served as chairperson and called the meeting to order at 8:00 a.m.

#### (14-5-02) (Approval of Minutes)

Minutes of the November 22, 2013, meeting were approved on a motion by Henry, seconded by Piechocinski. The motion carried unanimously.

#### (14-05-03) (Report on the 2013 IT Internal Audit Plan)

Mr. Gerschoffer - Crowe Horwath explained that with the Modernization project the normal IT internal audit work will take place later in the calendar year.

#### 14-05-04) (Presentation of Results of 2013 Financial Statements Audit)

Mr. Gabouer of KPMG, presented information in connection with their work on the 2013 financial statements including a document that outlined KPMG's responsibilities under generally accepted auditing standards. KPMG issued an unmodified opinion on the 2013 financials, pending review by their national office for the GASB 67 implementation. 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. KPMG went on to discuss the changes in the report for GASB 67 which included a change to the Required Supplementary Information section, several new schedules and adoption of the GASB 65 in conjunction with GASB 67.

Mr. Kuehne did question the foreign currency amounts and the risk schedule on page 30. Dhvani Shah was present and addressed the risk in foreign currency.

#### (14-05-05) (Report on the Completion of the 2013 Internal Audit Plan)

Davidyan reported on the completion of work on the 2013 internal audit plan including the employer audit program as well as a number of special projects done related to the internal control environment. Ms. Davidyan concluded that, based upon the internal audit work completed, IMRF's internal controls were working effectively.

(14-05-06) (Private Sessions with Internal and External 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.

(14-05-07) (Review of Draft of the 2013 Comprehensive Annual Financial Report)

Mr. Nannini reviewed the draft of the Comprehensive Annual Financial Report. Per the request of the committee a separate memorandum highlighting the GASB 67 changes will be prepared and send to the full Board.

(14-05-08) (Other Business)

None

(14-05-09) (Adjournment)

A motion was made by Copper, seconded by Piechocinski to adjourn the meeting. The motion was unanimously approved at 9:01 a.m. The Audit Committee will be reconvened at the Oak Brook office of IMRF on Friday November 22, 2014.

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Chairperson

Date

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Clerk

Date