

Illinois Municipal Retirement Fund

Meeting No: 16-12-A

Audit Committee

The Audit Committee met at the IMRF office in Oak Brook, Illinois on Friday, December 16, 2016, at 8:00 A.M. Committee members Henry, Kuehne, and Stanish were present. IMRF staff members Kosiba, Nannini, Duquette, Davidyan, Engstrom, Adamski, O'Brien, Woollen and Shaw were present. Also present were representatives from RSM: Sarb, Crowe: Steve, Alicia, and Derrick.

(16-12-01) Chairperson Henry called the meeting to order at 8:00 AM.

(16-12-02) (Approval of Minutes)

Minutes from the May 20, 2016 and June 3, 2016 Audit Committee Meeting were approved on a motion by Kuehne seconded by Henry. The motion carried unanimously.

(16-12-03) (Report on Compliance Activity)

O'Brien reported on the one complaint that was received through the code of conduct hot-line. The complaint was related to an employee concerns on not being promoted. O'Brien further reported on that IMRF staff participated in the annual code of code meetings, resulting in 100% compliance by IMRF staff.

(16-12-04) (Results of 2016 Internal Audit work performed by Crowe)

Steve, Alicia and Derrick presented the results of the 2016 Internal Audit work performed in 2016. Derrick summarized the activity surrounding the three internal reports: 1) External Penetration Assessment 2) Internal Perpetration Assessment, and 3) Network Security Assessment. He discussed the tests performed. Explained that the two cases included new employees of IMRF who were not totally familiar with IMRF policies. There was discussion on future technical controls to prevent this in the future, as well as physical security penetration test. Included in the above will be additional security training by IMRF Security Officer.

(16-12-05) (Acceptance of Crowe Horwath's 2017 Arrangement Letter)

Steve, Alicia and Derrick presented the proposed scope of work for 2017. Motion by Kuehne seconded by Stanish. The motion carried unanimously.

(16-12-06) (RSM Presentation of 2016 Audit Plan)

RSM outlined the scope and timing of their engagement for 2017 regarding the 2016 Financial Statement Audit, GASB 68 Reporting Requirements, including Census Data Attestation and Report on the Schedule of Changes in Net Fiduciary Position by Employer, and also the Agreed-upon Procedures, related to Illinois Department of Insurance Reports.

RSM acknowledged SOC-1 Type 2 Report for Fiscal Year 2016-2017 will be conducted by a separate audit team. The SOC 1 Report should be completed in early April; this coincides with the beginning of RSM's fieldwork, which will begin on April 4, 2016.

16-12-07) (RSM Presentation of 2016 External Services Audit Plan)

No further discussion. Motion by Stanish seconded by Kuehne. The motion carried unanimously.

(16-12-08) (Presentation of 2016 Internal Audit Plan)

Davidyan presented the 2017 internal Audit plan focusing on risk assessment process. She explained that they are on target for this year 20% of active membership coverage. Surveys returned by employers reflect an overall 90%

satisfaction rate. Discussions involved auditing the ability of County officials to elect out of IMRF, more to follow in February 2017.

(16-12-09) (Other Business)

No other business was conducted.

(16-12-10) (Private Sessions)

Private sessions were held with both internal and external auditors.

(16-12-11) (Adjournment)

A motion was made by Trustee Stanish, seconded by Trustee Kuehne to adjourn the meeting. The motion was unanimously approved at 9:01 a.m. The Audit Committee will reconvene on May 19, 2017.



Chairperson

5/19/2017
Date



Clerk

5/19/2017
Date