

# Illinois Municipal Retirement Fund

## Meeting No: 17-11-A

### Audit Committee

The Audit Committee met at the IMRF office in Oak Brook, Illinois on Friday, November 17, 2017, at 8:00 A.M. Committee members Henry, Kuehne, Miller and Trustee's Trudy, Stanish and Thompson were present. IMRF staff members Nannini, Duquette, Shah, Davidyan, Adamski, Smith, Kosiba, Teague and O'Brien were present. Also present were representatives from RSM: Evans and Sarb and from Crowe Horwath: Gerschoffer and Parker.

(17-11-01) Chairperson Miller called the meeting to order at 8:00 AM.

#### (17-11-02) (Approval of Minutes)

Minutes from the May 31, 2017 Audit Committee Meeting were approved on a motion by Kuehne, seconded by Henry. The motion carried unanimously.

#### (17-11-03) (Annual Report on Compliance Activity)

Staff member O'Brien presented the annual report on compliance activity. It was noted there was 100% participation in the yearly code of conduct sessions. ID protection and FOIA were discussed as topics of concern for staff. Staff was informed their personal information is and will be kept confidential. It was also announced that the travel policy was updated to reflect bidding of multiple vendors for air travel.

#### (17-11-04) (Presentation of Results of 2017 Internal Audit Work Plan Related to the Information System area)

Mr. Gerschoffer of Crowe Horwath presented information in connection with their work on the 2017 internal control review. Gerschoffer highlighted the results and testing completed. He noted a few findings. (1 as high risk, a few moderate risk and remaining findings were noted as low risk). Training in cybersecurity has been observed. It was noted excellent technical controls are in place to prevent disaster. Issues noted in the audit findings have been remediated by IMRF staff.

#### (17-11-05) (Acceptance of 2018 Crowe Horwath Arrangement Letter)

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

#### (17-11-06) (Presentation of External Audit Services Plan for IMRF (RSM))

Mr. Sarb presented information in connection with the plan of audit services for 2018. RSM is expected to begin preliminary field work in mid-December to reaffirm the control processes at IMRF. Fieldwork will begin in March, continue through most of April and conclude in May.

Mr. Sarb also presented the plan for the SOC-1 process, since Chris Kettering was unable to attend. The SOC 1 process will not change. The SOC 1 report year will change from April 1<sup>st</sup> through March 31<sup>st</sup> to January 1<sup>st</sup> through December 31<sup>st</sup>.

#### (17-11-07) (Acceptance of 2017 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.

#### (17-11-08) (Presentation of 2018 Internal Audit Plan (Julia Davidyan))

Staff member Davidyan reported on the 2018 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 be revisiting the permanent disability audit. Internal audit will continue to work with Crowe Horwath on IS internal controls. The scope for the employer audit will be 210 audits (20% active membership) Internal audit will continue to issue audit satisfaction surveys to the employers.

(17-11-09) (Other Business)

No other business was conducted.

(17-11-10) (Private Session with External Auditors)

Yes private session was held.

(17-11-11) (Adjournment)

A motion was made by Trustee Miller, seconded by Trustee Kuehne to adjourn the meeting. The motion was unanimously approved at 9:00 a.m.

<u>Aue Stanish</u>	<u>5/18/18</u>
Chairperson	Date
<u>Maletta Kammie</u>	<u>5/18/18</u>
Clerk	Date