

Illinois Municipal Retirement Fund

Meeting No: 18-05-A

Audit Committee

The Audit Committee met at the IMRF office in Oak Brook, Illinois on Friday, May 18, 2018, at 8:00 A.M. Committee members Henry, Wallace, Stanish and Trustee's Kuehne were present. IMRF staff members Nannini, Duquette, Shah, Davidyan, Adamski, Collins, Teague, Smith and Janicki-Clark were present. Also present were representatives from RSM: Evans, Sarb and Kettering.

(18-05-01) Chairperson Stanish called the meeting to order at 8:00 AM.

(18-05-02) (Approval of Minutes)

Minutes from the November 17, 2017 Audit Committee Meeting were approved on a motion by Henry, seconded by Kuehne. The motion carried unanimously.

(18-05-03) (Presentation – SOC1 Type 2 Report)

Mark Nannini introduced Mr. Chris Kettering with RSM to present the SOC1 Type 2 report as of December 31, 2018. RSM issued an Unqualified Opinion. Mr. Kettering communicated there was an exit meeting held between RSM and IMRF. The purpose of the meeting was to collaborate and exchange recommendations for a more efficient audit in the following year. It was made known there was great support from the IMRF team. Committee member Stanish also noted the early delivery of the SOC1 Type 2 report greatly helped from an employer perspective.

(18-05-04) (Presentation of Results of 2017 Financial Statement Audit)

Mr. Evans of RSM, presented information in connection with their work on the 2017 financial statements including a document that outlined RSM's responsibilities under generally accepted auditing standards. RSM issued an unmodified opinion on the 2017 financials. It was noted the fieldwork on the Financial Statements, the Schedule of Changes in Fiduciary Net Position by Employer and the Census Attestation was complete. There were no major matters that were brought to the Committee's attention. There were no proposed audit adjustments or internal control findings.

(18-05-05) (Report on the Completion of the 2017 Internal Audit Plan)

Staff member Davidyan reported on the completion of work on the 2017 internal audit plan including completing the 205 employer audits during 2017. It was noted that IMRF system controls are operating effectively and the 2017 audit on IMRF had no exceptions.

Based upon the internal audit work done, it was concluded that IMRF's internal controls were working effectively.

(18-05-06) (Private Session with External Auditors)

Yes private session was held.

(18-05-07) (Review Draft of the 2017 CAFR)

Staff member Nannini presented the 2017 Comprehensive Financial Statement Report. It was noted the document was a draft and was pending a Final Opinion letter to be inserted. Nannini presented the four areas of the document. (Financial, Investment, Actuarial and Gain/Loss) Mark communicated the detail of the results and also that the document was issue an unmodified opinion.

Trustee Kuehne requested that the CAFR is final before the Board meeting with the final opinion letter included. Mr. Sarb confirmed the timeline can be modified and happen for the following year. Trustee Kuehne also requested an exhibit of the 5 year smoothing table to be added to the Actuarial section of the CAFR.

The CAFR was accepted and approved. A motion was made by Trustee Kuehne, seconded by Committee member Wallace.

(18-05-08) (Other Business)

No other business was conducted.

(18-05-09) (Adjournment)

A motion was made by Committee member Stanish, seconded by Committee member Henry to adjourn the meeting. The motion was unanimously approved at 8:55 a.m.

<u>Sue Stanish</u>	<u>12/14/18</u>
Chairperson	Date
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Clerk	Date