Illinois Municipal Retirement Fund

Meeting No: 19-11-A

Audit Committee

The Audit Committee met at the IMRF office in Oak Brook, Illinois on Friday, November 22, 2019, at 8:00 A.M. Committee members Williams, Henry, Wallace, and Trustee Kuehne were present. IMRF staff members Nannini, Juhasz, Seputis, Adamski, Collins, Teague, and Janicki-Clark were present. Also present was Bill Sarb and Joe Evan, from RSM and Steve Gerschoffer from Crowe Horwath.

(19-11-01) Chairperson Henry called the meeting to order at 8:00 AM.

(19-11-02) (Approval of Minutes)
Minutes from the May 17, 2019 Audit Committee Meeting were approved on a motion by Henry, seconded by Kuehne. The motion carried unanimously.

(19-11-03) (Annual Report on Compliance Activity)
Staff member Janicki-Clark presented the annual report on compliance activity. It was noted there was 100% participation in the yearly code of conduct sessions. 6 Internal complaints were noted which were all non-issues. The annual code of conduct process was held twice in 2019 and electronically by video to each staff member.

(19-11-04) (Presentation of Results of 2019 Internal Audit Work Plan Related to the Information System area)
Mr. Gerschoffer of Crowe Horwath presented information in connection with their work on the 2019 internal control review. Gerschoffer highlighted the results and testing completed. He noted a few findings. (Two moderate risk were noted and the remaining findings were noted as low risk). A finding was noted a terminated employee was active on one system. Mirroring is not the best practice. Management removed employee and building template as a result. There weren’t any issues found with the external penetration test. There were no highs, a few moderates and a handful of lows with the internal penetration test performed. Some password were found to be reused for system access. It was recommended of minimizing password reuse. Management to build new process.

(19-11-05) (Acceptance of 2019 Crowe Horwath Arrangement Letter)
Acceptance was approved on a motion by Kuehne, seconded by Wallace. The motion carried unanimously.

(19-11-06) (Presentation of External Audit Services Plan for IMRF (RSM))
Mr. Sarb presented information in connection with the plan of audit services for 2020. RSM is expected to begin preliminary field work in early-December to reaffirm the control processes at IMRF. The goal will be produce the SOC 1 Type 2 report by March 15th. Employers will need the report produced for GASB 68 purposes.

Mr. Sarb also noted the timing of the fieldwork will be adjusted to produce the CAFR the 1st week of May 2020 in order to present the complete report at the May board meeting.

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

(19-11-07) Acceptance of 2019 RSM Contract for Audit and SOC 1 Type 2 Report
Acceptance was approved on a motion by Kuehne, seconded by Wallace. The motion carried unanimously.

(19-11-08) (Private Session with External Auditors)
A private session was held.

(19-11-09) (Presentation of 2020 Internal Audit Plan
Staff member Juhasz reported on the 2020 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 continue to work with Crowe Horwath on IS internal controls. The scope for the employer audit will be 190 audits (10-12% active membership.)

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

(19-11-10) (Other Business)
No other business was conducted.

(19-11-11) (Adjournment)
A motion was made by Trustee Henry, seconded by Trustee Kuehne to adjourn the meeting. The motion was unanimously approved at 8:58 a.m.

Chairperson

Date

Clerk

Date