

Illinois Municipal Retirement Fund

Meeting No: 21-05-A

Audit Committee

The Audit Committee met on a virtual online platform on Friday, May 28, 2021, at 8:00 A.M. Trustees Tom Kuehne, Sue Stanish, Natalie Copper, Peter Stefan, as well as Gwen Henry and Louis Kosiba. IMRF staff present were Mark Nannini, David Adamski, Elisa Juhasz, Brian Collins, Julie McGrath and Beth Janicki Clark Brandi Smith, Jim Splitt, Megan Wilson. Also present were Michelle Watterworth, and Theresa Banka of Plante Moran.

(21-05-01) Chairperson Kuehne called the meeting to order at 8:00 AM.

(21-05-02) (Public Comments)

No comments were noted.

(21-05-03) (Approval of the Minutes of the November 13, 2020 Virtual Audit Committee Meeting)

The Audit Committee approved the minutes from the November 13, 2020 Virtual Audit Committee Meeting.

Motion to approve by Sue Stanish, seconded by Peter Stefan. Roll Call 4-0

(21-05-04) (Presentation - SOC1 Type 2 Report for the period of January 1, 2020 through December 31, 2020)

RSM was not present at the meeting. A clean opinion was issued.

Motion to approve by Natalie Copper, seconded by Sue Stanish, Roll Call 4-0

(21-05-05) (Presentation of Results of 2020 Financial Statement Audit (Michelle Watterworth and Theresa Banka, Partners Plante Moran))

Presentation of the results of 2020 Financial Statement Audit by Plante Moran, Michelle Watterworth and Theresa Banka presented an unmodified opinion. This included the Fiduciary Net Position by Employers schedules and Census Attestation by employer with an unmodified opinion.

(21-05-06) (Report on the Completion of the 2020 Internal Audit Plan (Elisa Juhasz, Internal Audit Officer))

2020 Internal Audit Work Performed Related to the Information System Area resulted in a few medium risks and several low risk. It was noted the reports were very clean for 2020. The reports presented included:

- A. Annuitant Death Investigations performed weekly. 1,191 reported deaths. \$1.4m benefit payments and 97% recovered. A new contract was signed in December 2020 using Certi-death.
- B. Cash- monthly, investment transactions, monthly benefit payments, fixed assets, payroll and financial statements reviewed on a monthly basis with no exceptions noted
- C. Information Services security controls- Internal Audit partnered with Crowe conducting 4 reviews. Results presented Nov 2020 meeting by Crowe.
- D. Northern Trust SOC 1 reviewed semi-annually.
- E. Modernization/Horizon/COSO - IA supports this function – Seniors auditors allocated 20% of time to Horizon calculation meetings.
- F. Consulting Activities - Fraud Risk Assessment facilitating assistance to Finance
- G. Employer Audits - 198 employer audits performed which exceeded goal of 190. 96% employer satisfaction rate from survey results presented.

Gwen Henry suggested to focus more on cybersecurity with Crowe in Summer 2021 Board meeting.

(21-05-07) (Review and Acceptance of 2020 Annual Comprehensive Financial Report of the Illinois Municipal Retirement Fund)

Reviewed and Acceptance of the 2020 Financial Statement Audit by Plante Moran, the Fiduciary Net Position by Employers schedules and Census Attestation by employer. Unqualified Opinions issued by Plante Moran on all of three items.

Motion to approve by Sue Stanish, seconded by Natalie Copper. Roll Call 4-0

(21-05-08) (Other Business)

No other business noted.

(21-05-09) (Acceptance of 2021 Plante Moran Contract for Audit and SOC 1 Type 2 Report (Mark Nannini, Chief Financial Officer))

Motion to approve by Sue Stanish, seconded by Pete Stefan. Roll Call 4-0

(21-05-10) (Acceptance of Addendum to the 2021 Crowe Engagement Letter (Elisa Juhasz, Internal Audit Officer))

Motion to approve by Pete Stefan, seconded by Sue Stanish. Roll Call 4-0

(21-05-11) (Handouts)

IMRF staff handed out drafts of the IMRF Fraud Matrix and Fraud Awareness. The intent was to make the Audit Committee aware of staff's efforts in this area.

(21-05-12) (Executive Session)

Executive Session: The Chair of the Committee had private sessions with the Internal and External Auditor.

Motion to approve by Sue Stanish, seconded by Pete Stefan. Roll Call 4-0

(21-05-13) (Motion to Adjourn)

Meeting Adjourned at 8:59am. Motion to adjourn by Pete Stefan, seconded by Natalie Copper. Roll Call 4-0



Chairperson

Date

11/19/21



Clerk

Date

11/19/2021