

## **Illinois Municipal Retirement Fund**

### **Meeting No: 24-11-A**

#### **Audit Committee**

The Audit Committee met in person and via virtual online platform on Friday, November 22, 2024, at 8:00 A.M. Trustees Louis Kosiba, Gwen Henry, Natalie Copper, Sue Stanish, Peter Stefan, and Tom Kuehne were present. IMRF staff Mark Nannini, Sharon Brown, Brian Collins, Vladimir Shuliga, Cara Bannon, David Doney, Keyla Vivas, Dawn Seputis, Angela Miller-May, Brandi Smith, Mark Chevchek, Nick Kurz, and Bob Vodak were present. External auditors Kristin Hunt, Manju Patnaik, and George Golemes of Plante Moran were present. External auditor David Anderson of Clifton Larson Allen was present.

(24-11-01) Chairperson Kosiba called the meeting to order at 8:00 AM.

(24-11-02) (Public Comments)

No comments were noted.

(24-11-03 A) (Approval of the Minutes of the May 31, 2024, Virtual/In Person Audit Committee Meeting)

The Audit Committee approved the minutes from the May 31, 2024, Virtual/In Person Audit Committee Meeting.

Motion to approve by Trustee Stanish, seconded by Trustee Stefan. Roll Call 5-0

(24-11-03 B) (Approval of the Minutes of the May 31, 2024, Closed Session Audit Committee Meeting)

The Audit Committee approved the minutes from the May 31, 2024, Closed Session Audit Committee Meeting.

Motion to approve by Trustee Stefan, seconded by Trustee Stanish. Roll Call 5-0

(24-11-04) (Presentation of the 2024 Third Party Penetration Testing and Vulnerability Assessment Performed (David Anderson, CLA))

The 2024 Third Party Penetration Testing and Vulnerability Assessment results presented by David Anderson, CLA. The Penetration Testing and Vulnerability Assessment performed related to the Information System Area: External Penetration Assessment (EPA), Remote Social Engineering (RSA), Web Application Penetration Test (WAPT), Internal Penetration Assessment (IPA), and Wireless Network Security Assessment (WNSA).

The 2024 Penetration Testing and Vulnerability Assessment performed related to the Information System Area resulted in the following:

- (A) External Penetration Assessment: No critical or high-risk vulnerabilities. CLA was unable to gain unauthorized access to IMRF systems or sensitive data from the outside (from the internet).

- (B) Remote Social Engineering – Email Phishing: No vulnerabilities noted. None of the targeted users visited the malicious website or followed our instructions.
- (C) Web Application Penetration Test – Member / Employer Portals: CLA was able to find high risk vulnerabilities. 1) Cross-site scripting flaw could allow attackers to compromise application users 2) Applications disclosed participants' full social security numbers.
- (D) Internal Penetration Assessment: CLA was able to find high risk vulnerabilities on the internal systems that allowed CLA to gain administrative rights to the network.
- (E) Wireless Network Security Assessment: CLA identified no critical or high-risk vulnerabilities in the wireless network.

(24-11-05) (Acceptance of 2024 Third Party Penetration Testing and Vulnerability Assessment Performed by Clifton Larson Allen (Vladimir Shuliga))

Motion to approve by Trustee Stanish, seconded Trustee Stefan. Roll call 5-0

(24-11-06 A) (Annual Report on Compliance Activity (Vladimir Shuliga))

Annual Report on Compliance Activity presented by Vladimir Shuliga. There were 41 complaints reported on the hotline. All the complaints were external. All complaints were addressed and closed.

The Code of Conduct training was conducted via video format in the Spring and Fall of 2024. 100% of staff completed the training during the Spring of 2024. 100% of staff and 100% of IMRF Board members completed the training during the Fall of 2024. Quizzes were administered after completion of the training. The average scores were over 90%.

(24-11-06 B) (Report on the 2025 Employer Compliance Review Plan (Vladimir Shuliga))

Report on the 2025 Employer Compliance Review Plan presented by Vladimir Shuliga. The proposed scope for the Employer Compliance Review is for staff to audit 320 employers. This is an increase of 105 employers from previous years. The proposed scope includes follow-up reviews and first-time audits.

(24-11-07) (Presentation of External Audit Services Plan 2024 and 2025 – IMRF Report (Kristin Hunt – virtually, Manju Patnaik, George Golemes, Plante Moran; Mark Nannini))

External Audit Services Plan presented to the Audit Committee.

(24-11-08) (Acceptance of 2024 and Extension for 2025 Plante Moran Contract for Audit and SOC 1 Type 2 Report (Mark Nannini))

Motion to approve by Trustee Kuehne, seconded Trustee Henry. Roll call 6-0

(24-11-09) (Presentation of 2025 Internal Audit Plan, Required Communication, Q2 & Q3 Activities Updates and New Internal Audit Standards Overview (David Doney))  
Internal Audit Plan, Required Communication, Q2 & Q3 Activities Updates and New Internal Audit Standards Overview presented by David Doney.

(24-11-10) (Acceptance of the 2025 Internal Audit Plan, Required Communication, Q2 & Q3 Activities Updates and New Internal Audit Standards Overview (David Doney))

Motion to approve by Trustee Stanish, seconded Trustee Henry. Roll call 6-0

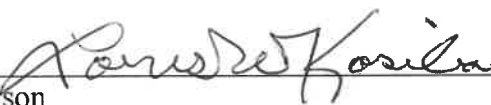

(24-11-11) (Presentation of the Draft of Fraud Matrix (Mark Nannini; David Doney))  
Draft of Fraud Matrix presented to the Audit Committee.

(24-11-12) (Other Business)  
No other business noted.

(24-11-13) (Motion to Adjourn)  
Meeting adjourned at 8:54 A.M., to be reconvened at the Oak Brook office of IMRF on December 20, 2024.

Motion to adjourn by Trustee Henry, seconded Trustee Stefan. Roll call 6-0

Next meeting is scheduled for December 20, 2024, at 8:00 A.M

Chairperson		Date	12-20-2024
Clerk		Date	12/20/24

