

**IPOPIF AUDITOR SERVICES REQUEST FOR PROPOSAL
QUESTIONS AND ANSWERS**

March 4, 2022

- 1. Did IPOPIF receive a management letter (letter of recommendations) for the June 30, 2021 audit? If so, may we receive a copy?**

Yes. Please refer to the [Comprehensive Annual Financial Report for the Period Ended June 30, 2021](#) which is available on the [IPOPIF website](#).

- 2. Have there been any disputes with the current audit firm regarding accounting principles or audit procedures?**

There were no disputes or issues with the previous audit firm.

- 3. Is the current audit firm allowed to propose on the audit or is there mandatory rotation?**

The previous audit firm is allowed to participate in this RFP.

- 4. The transition audit appears to be an agreed upon procedure (AUP) engagement, as this would not fall under the AICPA auditing standards. When is the transition AUP due if it is starting around 6 months after year end?**

The IPOPIF does not have further information regarding the transition audit and will work with the retained CPA firm to develop these procedures.

- 5. Assuming that the transition audit is an agreed upon procedures engagement, please provide the procedures to be performed and a sample report.**

Refer to answer provided in question 4.

- 6. Are there any changes to the Fiscal year audit report that you would like to be made? Will there be any new supplementary schedules?**

The IPOPIF does not have any information on the next fiscal year audit reports but does anticipate that the report will include additional information due to the completion of the consolidation of assets and the expansion of the IPOPIF.

- 7. For item #3c, may we provide an estimated number of pension fund clients and municipalities rather than a comprehensive list as the list would be extensive?**

Please describe and quantify the firm's governmental client business. Please list the names of Illinois governmental clients. You may provide additional information to support your government experience and expertise.

- 8. Page 17 indicates that a proposed engagement letter will be provided at a later time during the RFP process. We have certain requirements in the engagement letter. Should we provide the sample engagement letter as an exhibit to our proposal?**

The IPOPIF would invite the respondent CPA firm to include a sample engagement letter as an exhibit to the proposal.

- 9. Page 17 indicates that IPOPIF will not agree to a limit on liability or limited indemnification of IPOPIF. Such limits are required by our insurance company. Should we note this in our proposal?**

The IPOPIF would accept and review such notes.

- 10. What is the planned structure of the investment portfolio? For example, what types of assets will be invested in based on what allocation?**

Please refer to the [Investment Policy Statement](#) posted on the [IPOPIF website](#) for additional information on the investment portfolio structure and asset allocation.

- 11. What is the anticipated size of the consolidated alternative investments portfolio?**

Please refer to the [Investment Policy Statement](#) posted on the [IPOPIF website](#) for additional information on the investment portfolio structure and asset allocation.

- 12. Will you be able to share a breakdown of the consolidated alternative investments portfolio by investment strategy (e.g. real estate funds, private equity, absolute return funds, hedge funds and direct investments)?**

Please refer to the [Investment Policy Statement](#) posted on the [IPOPIF website](#) for additional information on the investment portfolio structure and asset allocation.

- 13. Can you provide a summary of your capital commitments by investment strategy?**

This is a new fund with no capital commitments to private markets. The asset allocation is detailed in our [Investment Policy Statement](#), which is available on our website.

14. What is your alternative investment thesis / outlook for the next five years?

The Fund expects to gradually build the resources and capabilities to establish private market investing capabilities for private equity, private debt, private infrastructure and private real estate.

15. Will you be able to share investor letters/statements received from alternative investment funds with the value of your interest / capital commitment?

We currently have no alternative investment funds. We would anticipate being able to provide this information if we make commitments.

16. Will you have access to reports and assumptions that support the value of your interest in alternative funds?

We currently have no alternative investment funds. We would anticipate being able to provide this information if we make commitments.

17. Per 40 ILCS 5/22-122, we noted that the investment limitations for Article 3 pension funds does not apply to the Fund. What types of investment vehicles does the Fund intend to hold as of June 30, 2022? What is the expected mix of these investments? Does the Fund intend to change/expand the types and mix of investments in future years?

Please refer to the [Investment Policy Statement](#) posted on the [IPOPIF website](#) for additional information on the investment portfolio structure and asset allocation. All investments will be passively managed except for positions in a daily valued real estate fund we are allowing to be transferred to IPOPIF.

18. Who is responsible for the preparation of the financial statements?

The IPOPIF uses an external service provider for Chief Financial Officer services and the preparation of the financial reports.

19. Can you provide clarification on the scope of the transition audit? Will this audit be completed separately from or in combination with the 2022 annual financial audit? Will the opinion be on each individual Article 3 pension plan transition or on the transition period as a whole?

The IPOPIF anticipates that the transition engagement will be a separate audit and report. The scope of the transition engagement will be focused on the transition of assets as conducted by the consolidated police fund.

20. Due to the requirements established in 40 ILCS5/22B-120(g), has the Fund considered the nature of the assurance that would meet the “audit” requirements for the transition audit? Given the specific items required to be addressed, would the Fund consider an agreed-upon procedures or examination engagement?

Refer to answer provided in question 4.

21. Who will be responsible for preparing the report on which the transition audit opinion will be provided?

This has not yet been determined. IPOPIF intends to work with our CFO, Custodian, Investment Consultant, and Transition Consultant (EY) to develop this work plan.