

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

AUDIT COMMITTEE

MEETING MINUTES – JANUARY 29, 2021

A meeting of the Illinois Police Officers' Pension Investment Fund's Audit Committee was held on Friday, January 29, 2021 at 1:00 p.m. through the Zoom Digital Platform in accordance with Executive Order 2021-01 issued by Governor Pritzker and Public Act 101-0640. Members of the public were invited to participate remotely or in-person pursuant to the meeting notice and agenda.

TRUSTEES PRESENT: Elizabeth Holleb
Mark Poulos
Paul Swanlund

TRUSTEES ABSENT: None

OTHERS PRESENT: Lee Catavu, Trustee (*Joined the meeting at 1:30 p.m.*)
Richard White, Executive Director
Rick Reimer, General Counsel Reimer Dobrovolny & LaBardi, PC
Steve Earnhardt, CFO/Accountant, Lauterbach & Amen, LLP
Allie Rysell, Plan Administrator, Foster & Foster, Inc.
Members of the Public

CALL TO ORDER: Committee Chairperson Holleb called the meeting to order at 1:04 p.m.

ROLL CALL: As reflected above.

SPECIAL ORDERS: A memorandum dated January 29, 2021 regarding "Special Orders" was prepared by Executive Director White and included in the agenda packet for the Committee's review.

Introduction of Committee Members: The Audit Committee was established by the Interim Board of Trustees and consisted of Trustees Elizabeth Holleb, Mark Poulos and Phil Suess. At the January 8, 2021 meeting, the Board of Trustees voted unanimously to appoint Elizabeth Holleb, Mark Poulos and Paul Swanlund to the Audit Committee with Trustee Holleb serving as the Audit Committee's Chairperson.

Review Audit Committee Policy (PP-2020-09): Committee Chairperson Holleb noted that the Audit Committee Policy (PP-2020-09) was included in the agenda packet for the Committee's review. The Committee determined that no changes were needed to the policy at this time.

MEETING MINUTES: *Review/Approve – December 14, 2020 Audit Committee Meeting Minutes:* The Committee reviewed the draft minutes from the December 14, 2020 Audit Committee meeting. A motion was made by Trustee Poulos and seconded by Trustee Holleb to

approve the minutes from the December 14, 2020 Audit Committee meeting. Motion carried unanimously by roll call vote.

AYES: Trustees Holleb, Poulos and Swanlund
NAYS: None
ABSENT: None

OLD BUSINESS: There was nothing outstanding to discuss.

NEW BUSINESS: A memorandum dated January 29, 2021 regarding “New Business Items” was prepared by Executive Director White and included in the agenda packet for the Committee’s review.

Accounts Payable Policy (PP-2020-04): The Board of Trustees adopted the Accounts Payable Policy (PP-2020-04) at the July 10, 2020 Board meeting. Executive Director White recommended the Committee adopt language changes to Section 12-G regarding reoccurring payments. The proposed language will allow the Fund to establish an automatic payment process for bills that occur on a reoccurring schedule, such as rent, utility bills, mobile phone expenses, bank fees, and other fixed monthly charges. The proposed billing process was reviewed with the Committee along with the revised policy language. All questions were answered by Executive Director White. The Committee requested that Paragraphs A and B are removed from Section G-12. A motion was made by Trustee Poulos and seconded by Trustee Swanlund to approve the changes in the Accounts Payable Policy (PP-2020-04) as discussed, with the requested changes to Section G-12 and to recommend approval by the Board of Trustees. Motion carried unanimously by roll call vote.

AYES: Trustees Holleb, Poulos and Swanlund
NAYS: None
ABSENT: None

Trustee Catavu joined the meeting at 1:29 p.m.

Budget Adoption Policy (PP-2021-01): Executive Director White requested Committee input regarding the proposed Budget Adoption Policy (PP-2021-01). This new policy defines the roles and responsibilities for the preparation, review, and approval process of the annual fiscal year budget process. The Committee reviewed the policy and discussed several language changes to the draft policy with Executive Director White, Attorney Reimer, and CFO Earnhardt. The Audit Committee will request approval from the Board of Trustees to expand their scope of responsibilities to include the budget development and review process along with any other items pertaining to the Fund’s budget at the February 26, 2021 meeting. Further discussion will be held at the Audit Committee’s next meeting.

Review – Fiscal Year 2020 Financial Audit Process: Executive Director White reviewed the process that was implemented by Baker Tilly US, LLP for the Fiscal Year 2020 Financial Audit.

Discussion – Fiscal Year 2021 Audit Process: Executive Director White reviewed the draft schedule and timeline for the preparation and completion of the Fiscal Year 2021 Financial Audit

with the Committee. The schedule and timeline will be modified to include an Audit Committee meeting in October to review the draft financial audit with representatives from Baker Tilly US, LLP. All questions were answered by Executive Director White and CFO Earnhardt. Further discussion will be held at a future Audit Committee meeting.

Discussion – Audit Process for the Transition of Article 3 Pension Fund Assets to the IPOPIF: Executive Director White noted that an auditing process is needed to guide the consolidation of assets from Article 3 Pension Funds to the IPOPIF. He recommended that the IPOPIF define policies and procedures for the transition of assets, and staff will be providing the proposed procedures to the Audit Committee at a future meeting for review and comment.

Executive Director White noted that the IPOPIF may consider the retention of auditor firms to conduct the necessary procedures for the transition. Executive Director White requested direction from the Audit Committee regarding the retention of auditor firms to implement this process.

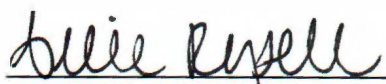
Trustee Poulos inquired if a Request for Information could be issued to all firms that responded to the Fund's August 21, 2020 Request for Proposal (RFP) for Auditing Services. Committee Chairperson Holleb recommended that an RFP is issued, noting that the selection of the auditor is a critical step for the consolidation of assets. She stated that the scope of work for this process is very different from a standard financial audit and would like to receive proposals from additional auditing firms for consideration. The Committee discussed the process that has been implemented by the Illinois Firefighters' Pension Investment Fund (IFPIF) with Executive Director White and CFO Earnhardt. CFO Earnhardt noted that there are still several questions that need to be answered before the IPOPIF can prepare and issue an RFP for auditor services for this process. Further discussions will be held internally and externally with the IFPIF regarding the certified asset list and audit process. A status update will be provided at a future Audit Committee meeting.

PUBLIC COMMENT: There were no comments from the public.

ADJOURNMENT: With no further business to discuss, a motion was made by Trustee Swanlund and seconded by Trustee Poulos to adjourn the meeting at 3:12 p.m. Motion carried unanimously by roll call vote.

AYES: Trustees Holleb, Poulos and Swanlund
NAYS: None
ABSENT: None

Approved by:



Allie Rysell, Plan Administrator
Foster & Foster, Inc.



Elizabeth Holleb, Committee Chairperson

Date Approved by the Audit Committee: April 23, 2021

*The next meeting of the Illinois Police Officers' Pension Investment Fund's
Audit Committee will be held on April 23, 2021 at 2:00 p.m.
via the Zoom Digital Platform.*