

**ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND
POLICY AND PROCEDURE**

POLICY NUMBER: PP-2020-09
SUBJECT: AUDIT COMMITTEE POLICY
EFFECTIVE DATE: OCTOBER 9, 2020
AMENDED:

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A. PURPOSE AND BACKGROUND

1. The IPOPIF Board of Trustees has established an Audit Committee as a Standing Committee to assist the Board in overseeing the Audit functions within IPOPIF.
2. The Board will appoint three members of the Board to the Audit Committee and designate one member to serve as the committee chair.
3. The Audit Committee provides oversight of IPOPIF's independent external audit activities.
4. The Audit Committee assists the Board of Trustees in ensuring that appropriate action is taken on audit recommendations.
5. The Audit Committee oversees communication between independent external auditors and IPOPIF management.
6. The Audit Committee is an advisory committee to the IPOPIF Board of Trustees, and its reports and recommendations are subject to final approval by the Board.

B. COMMITTEE RESPONSIBILITIES

7. The Audit Committee will meet at least quarterly, with authority to convene additional meetings as circumstances require.
8. The Audit Committee will, from time to time, as determined to be in the best interest of IPOPIF:
 - a. Examine and recommend to the Board for approval the objectives and scope of the annual financial audit, including the audit plans of the independent external financial auditor, the duties and responsibilities of the independent external financial auditor, and the timing and engagement fee of the annual financial audit;
 - b. Meet with the independent external financial auditor to review and discuss the annual financial statements.
 - c. Review the findings of the independent external financial audit and review the Management Letter, and any response thereto.
 - d. Review the engagement of the independent external financial auditor and make recommendations to the Board as to the appointment or recruitment of the independent external financial auditor.
 - e. Review the findings or comments of any regulatory agencies concerning financial statements or other financial information of IPOPIF.
 - f. Report to the Board of Trustees its activities and the results of its reviews.
 - g. Review significant changes in accounting standards, policies, or practices that may impact IPOPIF and report the results of that review to the Board of Trustees.
 - h. Meet with the Executive Director, Chief Investment Officer and Chief Financial Officer, at least annually, to discuss the effectiveness of the internal financial and operational control policies; and
 - i. Review and report on any other duties assigned to the Committee by the IPOPIF Board of Trustees.

C. POLICY REVIEW

9. The Policy is subject to change in the exercise of the Board's judgement.
10. The Board of Trustees will review this policy at least every two (2) years to ensure that it remains relevant and appropriate and consistent with state and federal laws and regulations.
11. In the event of legislative changes to the pertinent sections addressed in this policy, the Board will review the policy as appropriate.
12. This Policy was adopted by The Transition Board of Trustees on October 9, 2020