

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

AUDIT COMMITTEE

MEETING MINUTES – NOVEMBER 18, 2020

A meeting of the Illinois Police Officers' Pension Investment Fund's Audit Committee was held on Wednesday, November 18, 2020 at 9:00 a.m. through the Zoom Digital Platform.

TRUSTEES PRESENT: Elizabeth Holleb
Mark Poulos
Phil Suess

TRUSTEES ABSENT: None

OTHERS PRESENT: Richard White, Executive Director
Steve Earnhardt, Accountant/CFO, 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 9:04 a.m.

ROLL CALL: All Trustees were present as reflected above.

MEETING MINUTES: *Review/Approve – November 10, 2020 Audit Committee Meeting Minutes:* The Committee reviewed the draft minutes from the November 10, 2020 Audit Committee meeting. A motion was made by Trustee Poulos and seconded by Trustee Suess to approve the minutes from the November 10, 2020 Audit Committee meeting. Motion carried unanimously by roll call vote.

AYES: Trustees Holleb, Poulos and Suess

NAYS: None

ABSENT: None

NEW BUSINESS: Mr. White reviewed a memorandum dated November 18, 2020 regarding "Audit Committee Agenda Items" with the Committee which included information on the Fund's engagement with Baker Tilly US, LLP for audit services, the Accounts Payable Policy (PP-2020-04), and the agreed upon audit procedures discussion.

OLD BUSINESS: *Status Update – Engagement with Baker Tilly US, LLP for Audit Services:* The Board approved the engagement with Baker Tilly US, LLP for financial audit services for the fiscal years 2020 and 2021 at the November 13, 2020 Board meeting. A letter dated November 9, 2020 from Baker Tilly US, LLP was reviewed with the Committee regarding the planning and communication phases of the audit. The audit fieldwork is complete, and the auditors have contacted Mr. Earnhardt, Executive Director White, and Chairperson Curry with all questions. Mr.

Earnhardt noted that a draft report was received on November 17, 2020. Baker Tilly US, LLP representatives will be attending the Audit Committee's December 2nd meeting to provide a status update and answer any questions from the Audit Committee.

Committee Chairperson Holleb noted that Baker Tilly US, LLP is interested in the Board's views regarding certain matters pertaining to the financial audit, as stated in their November 9, 2020 letter. All questions were answered by Mr. Earnhardt and Mr. White. Committee Chairperson Holleb directed Mr. Earnhardt to follow up with Baker Tilly US, LLP to request clarification and a better understanding of the approach to develop the information they are requesting from the Board. Mr. White will follow up with the Board to obtain feedback and request any specific comments or thoughts for the items listed in Baker Tilly US, LLP's letter. Further discussion will be held at next month's Audit Committee meeting.

NEW BUSINESS (CONTINUED): *Review/Approve – Amendment to the Accounts Payable Policy (PP-2020-04):* Mr. White reviewed the revised Accounts Payable Policy (PP-2020-04) with the Committee. A modification was made to the policy regarding the approval process for payments that are reoccurring expenses. The proposed policy revisions will allow for the Fund to pay reoccurring expenses and allow the Fund to establish automatic deduction payments. All questions were answered by Mr. White. The Committee requested that reoccurring expenses are defined in the policy. Committee Chairperson Holleb requested clarification on the proposed payment process for reoccurring expenses. Mr. White will incorporate the Committee's feedback and revise the Accounts Payable Policy (PP-2020-04) for review at a future meeting.

Review/Discuss – Agreed Upon Procedures to be Used to Complete the Certified Asset List of Participating Police Pension Funds: Mr. White reviewed a letter dated November 2, 2020 prepared by Attorney Reimer regarding "Defining the Audit Procedures of 22B-12(c) of the Pension Code" with the Committee. Executive Director White requested direction from the Committee to begin the process of developing and defining the procedures of obtaining a certified asset list of participating police pension funds. The draft agreed upon procedures will be reviewed with the Committee and the full Board for approval in preparation of the transfer of assets. There was no objection from the Committee.

Mr. White and Mr. Earnhardt recommended the Fund hold a joint meeting with Illinois Firefighters' Pension Investment Fund (FPIF) to discuss the procedures to be used to complete the certified asset list of participating police pension funds, as it could be beneficial for both the IPOPIF and FPIF to develop the same procedures for consistency purposes. There was no objection from the Committee for a joint meeting to be scheduled. Committee Chairperson Holleb reminded the Trustees and Mr. White that the Illinois Government Finance Officers Association (IGFOA) is already working with the FPIF for guidance on technical financial matters. She noted that this working group along with the Technical Accounting Review Committee (TARC) can serve as a valuable resource for the IPOPIF as well.

PUBLIC COMMENT: Mr. John Falduto with Sawyer Falduto Asset Management addressed the Committee to comment on the procedures to be used to complete the asset transition process and provided feedback to the Trustees for consideration.

ADJOURNMENT: With no further business to discuss, a motion was made by Trustee Suess and seconded by Trustee Poulos to adjourn the meeting at 10:32 a.m. Motion carried unanimously by roll call vote.

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

Approved by:

Elizabeth Holleb

Elizabeth Holleb, Committee Chairperson

Date Approved by the Audit Committee: 12-2-2020

*The next meeting of the Illinois Police Officers' Pension Investment Fund's
Audit Committee will be held on December 2, 2020 at 9:00 a.m. via the Zoom Digital Platform.*