

MINNESOTA TEACHERS RETIREMENT ASSOCIATION  
TRA Audit Committee Meeting  
Minutes  
February 20, 2018

**Call to Order**

Marshall Thompson called the meeting to order at 9:32 a.m. Those attending in addition to Thompson were:

Committee Members: Mary Broderick and Martha Lee Zins.

TRA Staff: David Anderson, Carol Diedrich, Bob Johnson, Tim Maurer, Leslie Nagel, Ruth Krupa, Jay Stoffel, John Wicklund and Elizabeth Zuehlke.

Others: Tracy Gebhard, Paul Rehschuh, Kris Schutta and Valentina Stone

**2.a. Approval of the Minutes**

The minutes from the November 14, 2017 meeting were sent to the members prior to the meeting.

The action was deferred until a quorum was present.

**4.a. Office of the Legislative Auditor (OLA)**

Gebhard reviewed the 2017 Comprehensive Annual Financial Report. The Office of the Legislative Auditor audit opinion for the TRA financial statements for FY2017 is that they are accurate. We also issue a separate report on internal controls over financial reporting which addresses compliances as well. In that report it is noted that there are no control weaknesses and no instances of non-compliance with state law and state statute.

**4.b. Annual Security Report**

D. Anderson updated the committee on the CISO team at TRA. D. Anderson noted that TRA has to follow the law, be transparent and follow rules – hackers do not. He highlighted areas that the CISO team follows on a daily basis. We have fewer items going out with private data. D. Anderson updated the board on what has happened in the security area.

**2.a. Approval of minutes (resumed)**

The motion to approve the minutes from the November 14, 2017 audit committee meeting was renewed. It was moved by Zins and seconded by Broderick to approve the minutes from the November 14, 2017 TRA Audit Committee meeting. The motion was approved unanimously by the committee.

#### **4.c. Risk Assessment Questionnaire**

Nagel reviewed a summary of the FY2018 Risk Assessment questionnaire responses. The questionnaire was given to management to complete.

#### **4.d. Audits Issued Since November 2017**

- Member Refunds for the period January 1 to June 30, 2017 – the objective of this audit is to determine whether:
  - \* Refunds to members are made accurately, completely and timely.
  - \* Business system programming (.NET) reflects current statute, policies, practices and procedures and is thoroughly tested and updated as needed.

The audit conclusion is that management controls are operating effectively to achieve the business objectives listed above. We did identify one significant issue.

- Timesheet Completion and Approval for the period of July 1, 2016 to June 30, 2017 – the objective of this audit is to determine whether:
  - \* TRA uses best-practices to recruit, develop, manage, and retain effective employees.
  - \* Employee Payroll is accurate, efficient, and timely.

The audit conclusion is management controls are operating effectively to achieve the business objectives. We have identified five significant issues.

#### **4.e. Compliance Reviews Issued Since November 2017**

Nagel reviewed the handout on TRA Compliance Reviews issued since November 2017.

#### **4.f. Compliance Reviews Corrective Action Evaluation Update**

Nagel reviewed the handout on Compliance Review Corrective Action Evaluation Status noting this is a process we have converted to our SharePoint site.

#### **4.g. Update and Status Reporting**

Nagel briefly reviewed the TRA Internal Audit Status Report – FY2018 as of February 28, 2018.

#### **4.h. MMB Internal Controls Bulletins**

Nagel noted that these Bulletins go out to state agencies on a monthly basis. We share these reports with our Management Team and encourage them to share them with their staff.

#### **Public Comments**

None

The meeting adjourned at 11:02 a.m.