MINNESOTA TEACHERS RETIREMENT ASSOCIATION
TRA Audit Committee Meeting
Minutes
April 10, 2018

Call to Order
Marshall Thompson called the meeting to order at 9:30 a.m. Those attending in addition to Thompson were:

Committee Members: Denise Anderson, Angelina Barnes, Mary Broderick and Martha Lee Zins.

TRA Staff: Carol Diedrich, Leslie Nagel, Ruth Krupa, Jay Stoffel, John Wicklund and Elizabeth Zuehlke.

2.a. Approval of the Minutes
The minutes from the February 20, 2018 meeting were sent to the members prior to the meeting.

> It was moved by Broderick to approve the minutes with corrections from the February 20, 2018 TRA Audit Committee meeting.   It was seconded by Barnes and passed by the committee

4.a. FY2019 Meeting Dates/Times
Nagel discussed possible meeting times for the Audit Committee. We will continue to meet quarterly. Dates will be determined once the Board meeting schedule is set.

4.b. FY2019 Internal Audit Plan
Nagel noted that she inquired from other systems as to what their audit plans consist of. Nagel reviewed the FY 2019 Internal Audit Plan.

> It was moved by Zins to approve the FY2019 Internal Audit Plan and present the plan to the TRA Board of Trustees for their approval at their meeting on April 11, 2018. It was seconded by Broderick and passed unanimously by the committee.

4.c. 2018 Risk Assessment Results
Nagel then reviewed the handout on the 2018 Risk Assessment – Management Questionnaire – Summary Responses. Nagel noted that we have recently added a communications department.

4.d. Audits Issued Since February 2018

- Member Benefit Payments for the month of July 2017 – the objective of this audit is to determine whether internal controls are in place and are working effectively to achieve the business objectives.
  - ∗ Benefit applications and payments (retirement, disability, survivor, and adjustments) are processed accurately, completely, and timely.
  - ∗ Member communication is accurate, complete, 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.

- Member Refunds for the period July 1 to December 31, 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 February 2018

Nagel reviewed the handout on TRA Compliance Reviews issued since February 2018.

4.f. Compliance Reviews Corrective Action Evaluation Update

Nagel reviewed the handout on Compliance Review Corrective Action Evaluation Status.

4.g. Update and Status Reporting

Nagel briefly reviewed the TRA Internal Audit Annual 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.

4.i. Tone at the Top
Nagel noted that we share these reports with our Management Team and encourage them to share them with their staff.

Public Comments
None

Adjourn
On a motion by Zins, seconded by Anderson the meeting adjourned at 10:26 a.m. The motion passed by the committee.