

MINNESOTA TEACHERS RETIREMENT ASSOCIATION
TRA Audit Committee Meeting
Minutes
August 15, 2017

Call to Order

Marshall Thompson called the meeting to order at 10:30 a.m. Those attending in addition to Thompson were:

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

TRA Staff: Carol Diedrich, Laurie Hacking, Tim Maurer, Leslie Nagel, Jay Stoffel, Ruth Krupa, and John Wicklund.

Approval of the Minutes

The minutes from the April 11, 2017 meeting were sent to the members prior to the meeting.

It was moved by Zins to approve the minutes from the April 11, 2017 TRA Audit Committee meeting with changes. It was seconded by Broderick and passed by the committee.

Code of Conduct/Code of Ethics Certification

Wicklund reported that TRA had an all staff meeting on June 1, 2017. Employees need to complete the form to certify the Code of Conduct on Share Point. He will follow up with one employee. We offer the materials to the OLA to show that employees have been refreshed on the Code of Conduct.

Internal Quality Assessment Process

Nagel noted that TRA's Internal Audit activity complies with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing (Standards)*. An internal quality assessment was conducted this year. There was one finding relating to monitoring the disposition of audit findings communicated to management. Future quality assessments will be conducted in May of 2018 (internal) and May 2019 (external).

Update to Audit Report Format

Nagel noted that the layout of the audit report format has changed. The report will now contain positive results of the audit and the business objectives, risks and controls.

Audits Issued Since April 2017

- Payroll Reporting July 1 – December 31, 2016 – the objective of this audit is to determine whether internal controls over payroll reporting effectively manage key business risks inherent to the activity.

The audit conclusion is that the delinquencies are being assessed timely for late reporting and /or payment. Unpaid invoices are sufficiently monitored to ensure payment is received. There were three findings and one observation noted.

- Member Benefit Payments January 2017 – the objective of this audit is to determine whether internal controls over benefits paid to members effectively manage key business risks inherent to the activity.

The audit conclusion is that the Member Benefits function is generally operating accurately, timely and completely. There were two findings and two observations noted.

- Member Refunds July – December 2016 – the objective of this audit is to determine whether internal controls over member refunds effectively manage key business risks inherent to this activity.

The audit conclusion is that member refunds are being made to or on behalf of eligible members, are calculated correctly, and are issued timely. Four findings were noted.

Nagel reviewed the new Executive Summary format.

Compliance Reviews Issued Since April 2017

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

Compliance Review Corrective Action Status

Nagel worked with IT to develop a new process that works through SharePoint to document and monitor the status of compliance review findings and observations. Prior to the issuance of the employer evaluation letter, Internal Audit completes a Findings Log which then sends an email to the applicable Data Integrity Auditor to document the corrective action taken.

Update and Status Reporting

Nagel briefly reviewed the TRA Internal Audit Status Report – FY2017 as of July 31, 2017.

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.

Tone at the Top

Nagel noted that this newsletter is issued by The Institute of Internal Auditors.

Comments

None

The meeting adjourned at 11:44 a.m.