

MINNESOTA TEACHERS RETIREMENT ASSOCIATION
TRA Audit Committee Meeting
Minutes
June 11, 2019

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, Mary Broderick, Amy Jorgenson and Martha Lee Zins.

TRA Staff: Rachel Barth, Carol Diedrich, Yen Doan, Leslie Nagel, Ruth Krupa, Tim Maurer, Jay Stoffel, John Wicklund and Elizabeth Zuehlke.

2.a. Approval of the Minutes

The minutes from the March 19, 2019 meeting were sent to the members prior to the meeting.

It was moved by Zins to approve the minutes from the March 19, 2019 TRA Audit Committee meeting. It was seconded by Jorgenson and passed by the committee.

4.a. FY2020 Annual Audit Plan

Nagel reviewed the FY2020 Annual Audit Plan and answered questions from committee members. Nagel also asked for suggestions from the committee for the audit plan.

It was moved by Broderick to approve the FY2020 Internal Audit Plan and present the plan to the TRA Board of Trustees for their approval at their meeting on June 12, 2019. It was seconded by Zins and passed unanimously by the committee.

4.b. FY2019 Annual Report

Nagel reviewed the FY2019 Annual Report, as of June 1, 2019. Nagel asked the committee for feedback on the FY2019 Annual Report.

4.c. Audits Issued Since March 2019

- *Member Refunds* - this audit covered the time period of July 1 to December 31, 2018. The primary business objective of this audit are:
 - Refunds are made accurately, completely and timely.
 - Refunds are made only to eligible members.
 - 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 business objectives listed above. We identified two issues.

- *Actuarial Census for Fiscal Year 2018* – the objective of this audit was to make sure Everything carried over to .NET from FROST. To be sure all the data that needs to be there is there and working accurately.

The audit conclusion is that management controls are operating effectively to achieve business objectives. We identified three results and one observation.

4.d. Employer Payroll Audits Issued Since March 2019

Nagel reviewed the handout on completed Employer Payroll audits issued since March 2019.

4.e. Proposed Audit Committee Evaluation Form

Nagel reviewed the proposed Annual Review of Audit Committee Operations. Nagel would like feedback from the committee if they would like to include the review going forward.

4.f.1 through 4.f.3 Internal Control Bulletins

Nagel noted that included in the packet is the article from Internal Auditor on 5 Common Misconceptions About Small Audit Functions.

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.f.4 Tone at the Top

Nagel noted that these reports are shared with our Executive Team.

Public Comments

None

Adjourn

On a motion by Zins, seconded by Jorgenson the meeting adjourned at 10:21 a.m. The motion passed by the committee.