MINNESOTA TEACHERS RETIREMENT ASSOCIATION
Minutes of the TRA Audit Committee Meeting
May 12, 2020

Meeting held via WebEx Due to Covid-19

Call to Order
Denise Anderson (via WebEx) called the meeting to order at 9:37 a.m. Those attending in addition to Denise Anderson were:

Committee Members: Amy Jorgenson (via WebEx), Joel Stencel (via WebEx), and Martha Lee Zins (via WebEx).

TRA Staff: David Anderson (via WebEx), Rachel Barth (via WebEx), Carol Diedrich, Dominic Matern (via WebEx), Jeremy Mountain Johnson (via WebEx), Leslie Nagel (via WebEx), Tim Maurer (via WebEx), Sonja Parr, Jay Stoffel, and John Wicklund.

Public: Gary Anderson (via WebEx)

2.a. Approval of the Minutes
The minutes from the November 19, 2019 meeting were sent to the members prior to the meeting.

It was moved by Zins to approve the minutes from the November 19, 2019 TRA Audit Committee meeting with changes. It was seconded by Stencel. A roll call vote was taken. The motion was passed unanimously by the Committee.

3.a Audit Committee Charter/Internal Audit Charter
Nagel noted that the charters included in the packet (Audit Committee Charter and Internal Audit Charter) include the changes that were approved at the previous meeting.

4.a. Security Update
David Anderson (TRA CISO) presented a security update for TRA. He started out by pointing out that security is the job of everyone at TRA but we have a dedicated team of two people at TRA that focus on security.
The presentation highlighted these topics:

- Fraud and other threats going on in the world
- COVID-19 – how it affects our security posture and changes in the security landscape
- Increasing threats such as government impersonators
- Ongoing risks, hidden risks, bureaucratic risks, HR risks and how TRA approaches risk management as it relates to security
- Training
- Incidents over the last year
- The layered approach to security that TRA has taken.

David Anderson also reviewed key security projects worked on last year as well as upcoming projects and why TRA has been successful in the security space. David Anderson made a specific effort to ensure that it was clear that having support from the TRA Board and management as well as staff is a key factor in being able to secure TRA’s resources and data now and into the future.

4.b. CY2020 Risk Questionnaire
Nagel reviewed a summary of responses by managers to the CY2020 Risk Questionnaire. Risk assessment worksheets have been completed for CY2020 and will be summarized in the FY2021 Annual Audit Plan.

4.c. FY2020 Annual Report
Nagel reviewed the TRA Internal Audit Annual Report for FY2020 which includes the work performed through April 30, 2020.

4.d. Audits Issued Since November 2019
- Member Benefit Payments
  The audit objectives were to determine whether:
  ➢ Benefit payments (retirement annuities, disability and death benefits) are processed accurately, completely, and timely.
  ➢ Benefit applications (retirement, disability, survivor) are processed accurately, completely, and timely.
  ➢ Payments continuing to an Optional Joint Annuitant or beneficiary are accurately calculated and paid timely.

  The audit results show that management controls are operating effectively to achieve business objectives listed above. We did not identify any significant issues.
• **Member Refunds**
  The audit objectives were to determine whether:
  ➢ Refunds to members are made accurately, completely, and timely.
  ➢ Refunds are made only to eligible members.
  ➢ Appropriate tax withholding occurs.

  The audit results show that management controls are operating effectively to achieve business objectives listed above. We identified two issues.

4.e. **Educational Materials**
Nagel noted that included in the packet are the Internal Controls Bulletins (Fraud Awareness Week is Over. Now What?, Ten Year Reflection, Feeling Conflicted?, Your Ten Greatest Allies, Teleworking Best Practices and Maintain Internal Controls During Change), and Tone at the Top February and April newsletters.

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

**Adjourn**
On a motion by Zins, seconded by Stencel the meeting adjourned at 11:19 a.m. The motion was passed unanimously by the committee.