

MINNESOTA TEACHERS RETIREMENT ASSOCIATION
Minutes of the TRA Audit Committee Meeting
November 17, 2020

Meeting held via WebEx Due to COVID-19

Call to Order

Joel Stencil (attending remotely via WebEx) called the meeting to order at 9:30 a.m. Those attending in addition to Stencil were:

Committee Members: all attending remotely via WebEx were Amy Jorgenson, Luke Olson, and Martha Lee Zins.

TRA Staff: all attending remotely via WebEx were David Anderson, Rachel Barth, Carol Diedrich, Ruth Krupa, Julie Larson, Kris Lind, Dominic Matern, Leslie Nagel, Tim Maurer, Sonja Parr, Jay Stoffel, and John Wicklund.

Absent: Denise Anderson

Roll call was taken.

2.a. Approval of the Minutes

The minutes from the August 18, 2020 meeting were sent to the members prior to the meeting.

It was moved by Olson and seconded by Zins to approve the minutes from the August 18, 2020 meeting with changes. A roll call vote was taken. The motion passed unanimously by the Committee.

3.a. Old Business

At this time there is no update on the issue of the Audit Committee having to complete the Code of Conduct training.

4.a. Internal Audit/Audit Committee Charter Review and Approval

Nagel reviewed the TRA Internal Audit Charter and noted there were no changes needed to the TRA Internal Audit Charter. Nagel reviewed the Audit Committee Charter noting changes that will be made.

A motion was made by Olson and seconded by Zins that we recommend acceptance of the Audit Committee Charter with changes. A roll call vote was taken. The motion passed unanimously by the Committee.

A motion was made by Zins and seconded by Jorgenson that we recommend acceptance of the TRA Internal Audit Charter as presented. A roll call vote was taken. The motion passed unanimously by the Committee.

4.b. FY2021 Annual Report

Nagel reviewed the TRA Internal Audit Annual Report for FY2021 as of July 31, 2020 of the work performed to date.

4.c. Internal Assessment Report

Nagel reviewed the TRA Internal Assessment Report noting some modifications. We will complete another internal assessment late the summer of 2021.

4.d. Audits Issued Since August 2020

- *Annual Base Salary FY2021*

The audit objectives were to determine whether:

- Annual Base Salary amounts were timely requested and received;
- Annual Base Salary amounts were accurately uploaded into .NET for FY2021 service credit calculations;
- Employers who did not provide timely or accurate Annual Base Salary information were contacted to provide the required information; and
- Appropriate late submission delinquencies were assessed, billed, and collected.

The audit results show management controls are operating effectively to achieve business objectives listed above. We identified one issue.

- *Cash Receipts*

The audit objectives were to determine whether:

- Cash receipts are processed accurately and timely and are recorded correctly in .NET, SWIFT, and the general ledger.
- That the cash receipts process follows applicable guidance (state statute, policies, and procedures).
- That controls exist to mitigate identified risks, including segregation of duties.

The audit results show management controls are operating effectively to achieve business objectives listed above. We identified no significant issues.

4.e. Educational Material

Nagel noted that included in the packet are Internal Controls Bulletins (After Action Report – The Value of Documentation, Audit Finding Resolution – It Does an Agency Good, Fraud Prevention Depends on You!).

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. Fraud Week Presentation

Nagel noted that Krupa created a series of emails that are sent out daily during Fraud Prevention Week to all TRA staff. Krupa also created a Power Point presentation with audio for employees to watch.

Public Comments

None

Adjourn

On a motion by Zins and seconded by Olson the meeting adjourned at 10:29 a.m. A roll call vote was taken. The motion passed unanimously by the Committee.