

MINNESOTA TEACHERS RETIREMENT ASSOCIATION
Minutes of the TRA Audit Committee Meeting
March 9, 2021

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. Trustees are participating remotely by telephone or video conference as permitted by Minnesota Statutes, section 13D.015. We will now take a roll call to establish that a quorum of Trustees is present.

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

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

2.a. Approval of the Minutes

The minutes from the November 17, 2020 meeting were sent to the members prior to the meeting.

It was moved by Zins and seconded by Stencil to approve the minutes from the November 17, 2020 meeting with changes. A roll call vote was taken. The motion passed unanimously by the Committee.

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:

- COVID-19 – criminals don't stop working during a pandemic
- Change in daily authentication to remote tech
- COVID related cyberattacks – spiked repeatedly
- Many of the good things that make us successful in security
- Standard Risks
- Know your customers
- Hidden Risks
- HR Risks
- Bureaucratic Risks
- What can we really do – manage risks

- When there is an incident – what do we do?
- High Level Activity
- Putting It All Together
- Key Security Projects in the Last Year
- Upcoming Projects
- How have we been so successful?

David Anderson noted 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.

4.b. CY Risk Assessment Questionnaire

Nagel reviewed a summary of responses by managers to the FY2021 Risk Questionnaire. Risk assessment worksheets will be completed for FY2021.

4.c. FY2021 Annual Report

Nagel reviewed the TRA Internal Audit Annual Report for FY2021 which includes the work performed through February 28, 2021.

4.d. Audits Issued Since November 2020

- *Administrative Expenses*
The audit objectives were to determine whether:
 - The administrative expense process is accurate, complete, and timely.
 - The administrative expense process follows applicable guidance (state statute, policies, and procedures).
 - Controls exist to mitigate identified risks, including segregation of duties.

We identified two issues.

- *Expense Reimbursements*
The audit objectives were to determine whether:
 - Expense reimbursements follow applicable guidance.
 - Expense reimbursements are appropriately authorized and are processed accurately, timely, and completely.

We identified one issue.

4.e. Educational Material

Nagel noted that included in the packet are Internal Controls Bulletins (Take Advantage of This Opportunity! Reason this Season – Show People You Care, Are you building your wings on the way down?), and Tone at the Top.

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

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Nagel noted that Krupa created a very informative Power Point presentation with audio for employees to watch.

Zins noted that the committee would like to congratulate Krupa on becoming a certified fraud examiner.

Public Comments

None

Adjourn

On a motion by Zins and seconded by Denise Anderson the meeting adjourned at 10:58 a.m. A roll call vote was taken. The motion passed unanimously by the Committee.